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Article Discusses Problems, Changes in CEMA

HK2203074190 Beijing SHIJIE ZHISHI in Chinese
No 4, 16 Feb 90 pp 6-7

[Article by Bu Shi (5943 4258): "The Predicament and Transformation of CEMA"]

[Text] After being postponed for half a year, the 45th meeting of CEMA was held early this year in Sofia, the capital of Bulgaria. This was the first summit meeting of the CEMA attended by several non-communist leaders. There were a great many new faces and transformation plans, plus various conjectures about the possible future prospects of the organization. The mass media talked a lot about whether the meeting would become a turning point in the destiny of CEMA. Prime Minister Atanasov of the host country said in his opening speech: "I hope that the meeting chaired by Bulgaria will become a symbol of CEMA's reconstruction."

Over the past 40 years since its founding, CEMA has grown from a "mutual aid group" of six countries for breaking the blockades of the West into an international economic organization with members on three continents. According to CEMA statistics, during this period, the national income of its member countries increased 8.9 times, while that of the Common Market countries only increased 2.6 times; the former's industrial production increased 15 times, while the latter's increased only 3.1 times. The economic growth speed of CEMA countries surpassed that of the developed capitalist countries. However, in the 1980's, the economies in the Soviet Union and Eastern Europe bogged down in a predicament, and the economic growth speeds in all CEMA member countries slowed down. They were all plagued by three persistent ailments, namely, the shortage of commodities, inflation, and a sharp increase in foreign debts. The average annual growth rate declined from over eight percent in the 1970's to below four percent in the 1980's. This also caused difficulties in relations among CEMA member countries. First, there was a decline in their internal trade based on the long-term governmental trade agreements, and trade friction also increased. The volume of internal trade between CEMA countries in the 1970's increased by an average of eight percent a year; but the growth rate declined to only 3.2 percent in the first half of the 1980's. After 1988, there was no increase in the volume of their internal trade. At the same time, there were fewer and fewer guarantees for the quality and delivery time of the goods supplied to each other. In 1988, CEMA countries even fought a customs war against each other to check the movement of commodities between them. The proportion of trade within the CEMA in the world's total volume of international trade declined to four percent. Second, the process of economic integration inside CEMA came to a standstill. Although the member countries signed many cooperation agreements with each other for the purpose of promoting their economic integration, the level of integration (that is, the degree of exchanging intermediate products) remained at merely one to three percent,

and the main form remained the exchange of fuel and raw materials for finished products. As compared with the EC, the scale and development of CEMA's process of "economic integration" lagged far behind. In the EC, the supply of cooperation products accounted for 40 percent of its total internal trade; but in CEMA, such products accounted for merely six percent of the total trade volume. In addition, no obvious progress has been made so far in the implementation of the scientific and technological cooperation program (which was called the "Eurica Plan in the East").

The decline of CEMA in the 1980's formed a striking contrast with the vigorous development of regional economic organizations in all parts of the world. This situation was first derived from CEMA's profound and non-economic origin in history. That is, it was not a regional economic combination that was naturally formed. Before the EEC was founded, its member countries all had developed domestic markets and close economic relations. However, CEMA was congenitally deficient in this regard. Because the organization did not attach importance to its internal economic factors, this gave rise to various factors that caused the decline of this economic organization. At present, the European member countries of the CEMA are all facing domestic economic difficulties. For this and many other reasons, they are now all directing their eyes to the West and have no enthusiasm for their internal cooperation. They give priority to exporting goods to the West and carrying out production cooperation with the West in order to earn valuable foreign exchange. In the second half of 1988, Hungary, Czechoslovakia, Bulgaria, Poland, the Soviet Union, and the GDR successively established bilateral cooperation relations with the EC. It seemed that they all tried to seek their own way out. Moreover, the cooperation pattern kept by CEMA after its founding also caused increasingly sharper contradictions with the economic development in various member countries.

First, the lateral pattern of internal administrative management in CEMA was not in keeping with the growth of the market factor in each member country's domestic economy. Second, the integration process was not in keeping with the domestic economic policies of the various members countries. These problems gave rise to a centrifugal tendency inside the CEMA, intensified each member country's tendency to place its national interests above CEMA's interests, and deepened the crisis in this organization to an unprecedented degree.

However, it is still too early to predict that CEMA will be disbanded. First, there remains a high degree of interdependence among the member countries in their international trade. Trade inside CEMA accounts for 80 percent of their total foreign trade volume and amounts to 200 billion rubles a year. In particular, their trade relations are reflected in the dependence of all other member countries on the Soviet economy. According to the statistics published by the Soviet Union in 1986, the proportions of energy and raw materials exported by the Soviet Union to other CEMA member countries in their

gross demands were: 72 percent for crude oil and oil products, 100 percent for natural gas, 96 percent for coal, 98 percent for electric power, 75 percent for iron ores, and 67 percent for steel rolling. It is hard to change such close economic ties in a short time. Second, the framework of specialized production and cooperation among CEMA member countries has been fostered for a long time and has developed to a considerable extent in some fields. In the machine-building, chemical, and electronics industries, the lateral division of work and vertical cooperation have closely interwoven the industrial production structure of various CEMA member countries with each other. If they withdraw from CEMA, their domestic economies will be seriously affected. Third, as a political and economic bloc, CEMA will continue to be of strategic significance for its member countries, especially the Soviet Union. From its considerations of the political and economic balances, the West also has certain worries about the future prospects if CEMA is disintegrated. In the economic aspect, the EEC is facing the establishment of a large integrated market and a series of subsequent changes in 1992. It does not want to bear the economic impact from the East at the same time. However, the economic bait offered by the West will be a major factor for CEMA member countries in weighing the advantages and disadvantages of their departure and continued coherence.

According to the results of the recent CEMA summit meeting, the member countries have basically reached a consensus of opinion on maintain this organization. Before the meeting, one or two member countries revealed some radical proposals for disbanding or withdrawing from CEMA, but they did not formally put forward such proposals at the meeting. Although all member countries expressed their willingness to continue to stay in this "big family," none of them denied that some fundamental transformation was inevitable. However, there were many contradictory opinions on the objectives and steps of transformation, and it was hard to reach a consensus of opinion. All member countries except Romania brought their own transformation schemes. Czechoslovakia, Poland, and Hungary held that radical transformation should be carried out in CEMA so that all countries will have the right to select the degree of their involvement and participation in this organization. They also intended to form a "minor integrated body" composed of Czechoslovakia, Poland, and Hungary—"member countries which have carried out the most thorough reform." However, the non-European member countries maintained more reservations toward CEMA, as they did not want to lose various advantages from CEMA.

On the one hand, the Soviet Union held that reform was urgently necessary; on the other hand, it also stressed the importance of maintaining the unity of CEMA and said that "departing from CEMA is equal to committing suicide." The Soviet Union proposed that CEMA begin to follow the world market's prices in the exchanges of goods inside CEMA as the first step in realizing the free

payment of foreign exchange. Most members countries agreed in principle with this proposal, but they held that the timetable was too hasty and proposed that this be realized in stages. This is because this step means that many member countries will have to pay more foreign exchange in order to procure energy and other raw materials from the Soviet Union.

Although various member countries hold many different opinions on the future of CEMA, it is clear that the organization will introduce more market mechanisms into its internal cooperation relations. The market orientation and the opening-up will be two major subjects in the future transformation of this organization. Undoubtedly, the process of transformation will be a protracted one, full of difficulties. Relations between the member countries will be built more and more on the basis of real economic mutual benefit and will become relatively loose. In a certain period, the development of bilateral relations may even be faster than that of multilateral cooperation.

A special committee was set up at the Sofia meeting, and its task was to study various proposals and draw up a transformation blueprint in the shortest possible time. In the course of designing the transformation blueprint, the member countries will discuss and solve such questions as how to make CEMA regain vigor in the future years and how to handle relations with the European economy and the world economy.

Article Views Cold War's Impact on East Europe

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No 4 16 Feb 90 pp 9-11

[Article by Liu Zuxi (0491 4371 3556) and Yang Hua (2799 5478): "The Cold War's Profound Impact on Eastern Europe"]

[Text] After World War II, the people of the countries in Eastern Europe, under the leadership of the communist parties, established people's governments and took up the path of socialism. This constituted an important component in the historical progress of socialism. However, the development of postwar Eastern Europe has been very tumultuous, with a major upheaval occurring practically every 10 years. In 1948, after the intelligence agencies of nine communist parties in Europe passed a resolution denouncing Yugoslavia, large-scale purges took place inside every country in Eastern Europe. In 1956, the 20th National Congress of the CPSU was followed by the Polish and Hungarian incidents. In 1968, the Soviet Union, Poland, the GDR, Bulgaria, and Hungary sent troops to suppress the reform movement in Czechoslovakia. In 1980, a nationwide workers' strike broke out in Poland and the Solidarity Workers Union was born. In 1989, an unprecedentedly serious crisis swept the six socialist countries of Poland, Hungary, the GDR, Czechoslovakia, Bulgaria, and Romania. Eastern Europe today seems to have reverted to the early postwar period characterized by the emergence of various forces

and contention among various ideas. It is again confronted by a need to make a serious choice on its direction for future development.

The causes leading to the current situation in Eastern Europe's socialist states are multi-faceted and complex. They include internal factors as well as external influences. Moreover, each country has its own distinctive problems and unique factors. However, a more general and fundamental problem lies behind the picture of complication and confusion, namely: Living in the shadow of the Cold War between the two blocs, the East and the West, the Eastern European states were heavily influenced by hegemonism and power politics and could not independently build their own distinctive brand of socialism based on the concrete conditions in their respective countries. It may be said that the Cold War distorted the path of socialist development of the Eastern European states and is a major reason for the protracted instability and repeated social upheavals in the Eastern European situation.

The Eastern European countries moved from people's democracy to the socialist path on the basis of their victory in the national liberation struggle against fascism. In the early days following liberation, the communist leaders of the Eastern European states generally maintained that in accordance with the historical conditions of the postwar period and the concrete conditions in Eastern Europe, they could and had to take up a unique path to socialism different from that of the Soviet Union. They pointed out that along with the total destruction of the fascist occupation forces and their puppets, the old state mechanisms in Eastern European countries had been smashed and a people's democratic dictatorship established in the process of national democratic revolution. Hence, the Eastern European countries did not have to undergo a direct proletarian revolution similar to the October Revolution or establish a direct dictatorship of the proletariat like the Soviet system. Instead, they could peacefully and democratically move to socialism on the basis of the consolidation and development of the people's democratic system. Consequently, they proposed that politically, the People's Democratic United Front—formed during the anti-fascist struggle, anchored on the worker-peasant alliance, and uniting the middle and petit bourgeoisie against the big landlords and big capitalist class who sided with the enemies—should be preserved and developed. The Communist Party should form an alliance with the social democratic parties and unite with anti-fascist bourgeois democratic parties to establish a united people's democratic government. Economically, they proposed that on the basis of the confiscation of properties belonging to the enemies and collaborators and through rural land reform and the nationalization of urban industries and enterprises, a people's democratic economic system characterized primarily by a state economy and allowing for the existence of a private and individual economy should be set up. In international relations, they called for the maintenance and development of traditional

diplomatic relations among the Eastern European states and extensive participation in international economic cooperation and even put forward such concepts as the creation of a Balkan commonwealth in order to unite together and strengthen the Eastern European states' position in Europe and in the world. They believed that as a unique path to socialism, the path of people's democracy would not only ensure the steady progress into socialism of the Eastern European states, but that it would also have a greater appeal and attraction to other countries in Europe and the world.

In the beginning, the Soviet Union affirmed and approved the Eastern European states' theory and practice of going to socialism via people's democracy. Recalling his conversation with Stalin in July 1947, Czechoslovakia's Communist Party leader Klement Gottwald said: "Comrade Stalin noted that after the defeat of Hitler's Germany in the Second World War, the ruling class in many countries had been discredited while the people had become more politically conscious. Under these historic conditions, many possibilities and roads have emerged. He cited the cases of Yugoslavia, Bulgaria, and Poland and also mentioned that of our country. He pointed out that it is possible to take up a unique road to socialism without going through the Soviet system and dictatorship of the proletariat." The diverse roads to socialism were popularly recognized in the Soviet Union and the Eastern European states at that time. Molotov's slogan of "different roads to communism" was regarded as an iron fact and was widely touted for a while.

In the early postwar period, the communist parties in the Eastern European states scored enormous gains as they firmly led their people in moving to socialism via the path of people's democracy. They were thus able to win the trust and support of their people. By cooperating with social democratic parties, uniting with some bourgeois democratic parties, and setting down people's democracy as the common programme, united fronts bearing different names were created, such as Poland's Front of National Unity, Czechoslovakia's National Front, and Bulgaria's Fatherland Front. They became the basis for the establishment of united governments. In elections held from 1946 to 1947, the communist parties obtained great victories and became the leading force in united governments. When parliamentary elections were held in Czechoslovakia in May 1946, the Communist Party won 36 percent of the votes and became the country's dominant party, with Gottwald becoming the prime minister. In the National Assembly elections held in Bulgaria in October 1946, the Communist Party won the majority votes (53 percent) and Georgi Dimitrov was tasked to form a cabinet. In November of the same year, the democratic parties' alliance led by the Romanian Communist Party garnered nearly 85 percent of the votes in the Romanian national parliamentary elections. In January 1947, the four party coalition headed by the Polish Communist Party also won more than 80 percent of the votes in the parliamentary elections. Communist

Party leader Boleslaw Bierut was elected president of the republic, while Socialist Party leader Josef Cyrankiewicz, who had worked closely with the Communist Party (and later joined the Communist Party) became the prime minister. The establishment of the people's democratic system stimulated the people's zeal for construction and emancipated the social forces of production. The war-devastated economies of the Eastern European states were quickly rebuilt, and by 1947, they had reached or approached the pre-war level. Whether from political democracy or economic development, the Eastern European states were far more vibrant and energetic than their Western European counterparts.

As the people of the Eastern European states were confidently marching along the path of people's democracy toward socialism, the United States and the Soviet Union were gradually transformed from anti-fascist allies into contending rivals. Meanwhile, the atmosphere between the East and the West grew more tense. When British Prime Minister Winston Churchill visited the United States in March 1946, he made a famous speech in Fulton, Missouri, where he declared that "from Szczecin in the Baltic Sea, to Trieste in the Adriatic Sea, an Iron Curtain has descended across Europe." This anti-communist speech served as a prelude to the cold war that enveloped Europe, while the so-called "liberation of the enslaved people of Eastern Europe behind the Iron Curtain" that was put forward under the banner of "freedom, democracy, and human rights" became the bugle call for the cold war by the Western countries. Next, the United States began carrying out its "containment policy" as it stood at the forefront of this cold war. In April 1949, the United States and the Western European states formed the North Atlantic Treaty Organization. Not long after, the West started to initiate trade embargoes, ideological infiltration, political subversion, and even military threats against the Eastern European states. In response to these, the Soviet Union adopted various steps to tighten control over Eastern Europe. In September 1947, the CPSU proposed the creation of an intelligence agency composed of nine European communist parties. In January 1949, the Soviet Union took the lead in organizing the Comecon. In May 1955, the Warsaw Pact Organization was established. East-West confrontation was thus gradually developed. To control Eastern Europe, the Soviet Union openly criticized Yugoslavia for slipping into "nationalism" in 1948. At the same time, its attitude toward the path of people's democracy changed as it demanded that all Eastern European countries immediately make the transition to socialism by implementing overall "sovietization" in accordance with the USSR model. It also demanded that they follow the Soviet Union in political, economic, and diplomatic affairs. Socialist construction in all Eastern European states was incorporated into the Soviet Union's global strategy and made to comply with its internal and external requirements. Thereafter, the diversity inherent in socialism came under attack. The Eastern European states's unique roads to socialism were

denounced as the "nationalist road," and all views and methods different from those of the Soviet Union were regarded as heresy.

The East-West cold war and the Soviet pressure aggravated the internal contradictions within the Eastern European states, triggering drastic changes in the situation in these countries. From 1947 to 1948, as Eastern Europe stepped up the transition to socialism, a series of political incidents with profound impact took place.

First of all, the people's democratic united fronts were shattered and united governments were dissolved. The bourgeois democratic parties in the Eastern European states fell apart, one after another, within a short period of time. Some were banned or dissolved, and others suspended or reorganized. After the leaders of Hungary's Smallholders' Party were arrested on charges of treason, the party dissolved itself. The National Peasants' Party, meanwhile, suspended its activities. In Romania, leaders of the National Peasants' Party were arrested on charges of espionage and the party was outlawed. The National Liberal Party was dissolved, while other political parties were suspended. Bulgaria executed opposition party leaders, and except for the Peasants' Alliance, which was reorganized and continued to exist, all other parties were abolished. While Poland and Czechoslovakia continued to maintain the original bourgeois liberal parties and preserved the national united fronts and national front united governments in form, these parties were purged and reorganized and played no real role. Similarly, the united governments existed in name only.

Second, while the incorporation of the Social Democratic Party into the Communist Party may have constituted unity in appearance, it actually aggravated the fractionalism. Social democratic parties were established in the Eastern European countries as far back as the 1870's and 1880's. It was also at this time that workers' movements began there. At the end of the last century, the social democratic parties were split, with the left-wingers adhering to the Marxist revolutionary line and the right-wingers advocating the reformist parliamentary road. After the October Revolution, the left-wingers were organized into communist parties with the assistance of the Comintern. During the Second World War, the communist parties formed an anti-fascist united front with the social democratic parties and also created left-wing alliances in the united governments shortly after the war. In 1947, the intelligence agency demanded that the Eastern European countries put an end to the division within the workers' ranks and organize a united political party of the working class. In effect, the social democratic parties were abolished and only a small handful of party members (as much as half of the membership and as little as a quarter of it) were allowed into the communist parties. The names adopted by some communist parties in Eastern Europe, such as the "United Socialist Party" and "United Workers' Party," were the result of such unions. However, forced mergers

of organizations did not bring about genuine unity in thinking. The split within the working class was in effect deepened.

Third, large scale purges were launched within the communist parties, and countless trumped up and false charges were fabricated. To tighten control over Eastern Europe, the Soviet Union demanded that all communist parties in these countries wipe out all dissenters within the leadership and even took a direct hand in organizing and orchestrating a massive purge. A large number of party leaders were slapped with all kinds of charges, including "nationalism", "cosmopolitanism", "Zionism"; and of being "Western agents", "spies," and "secret agents"; and were either purged, tried, incarcerated, or even executed. Gomulka, general secretary of the Central Committee of Poland's United Workers' Party, was arrested and thrown into prison. General Marian Spychalski, the much heralded hero in the anti-fascist national liberation war, was also imprisoned, while scores of top military officers were executed. In Bulgaria, Traicho Kostov, secretary of the Central Committee of the Communist Party and acting prime minister, was executed, while thousands of top cadres were tried and sentenced. Nearly 100,000 party members were purged. In Hungary, Rajk, Communist Party Politburo member and Central Committee secretary, was hanged while then Interior Affairs Minister Kadar was incarcerated. More than 4,000 former Social Democratic Party leaders were tried and sentenced, including Hungarian head of state Szakasits, who was also chairman of the Hungarian Workers' Party after joining the Communist Party, and a large number of military leaders. In Czechoslovakia, Rudolf Slansky, general secretary of the Central Committee of the Communist Party, was tried and executed along with ten top leaders. Almost half of the Central Committee members elected at the Ninth Communist Party Congress was purged and party membership was reduced by 800,000, which was approximately 35 percent of the total membership. The ongoing series of purges and trials that took place in Eastern Europe during this time seriously undermined the strength and image of the communist parties in these countries.

At the same time, drastic changes also occurred in the economic systems of Eastern European countries. By the end of the forties and the start of the fifties, the Eastern European countries carried out comprehensive industrial nationalization and rural collectivization, abolishing small individual commodity economy even as they eliminated private capitalist economy. All aspects of economic life were incorporated into state planning. Commodity production came under increasingly tight control, while the market mechanism could no longer play its role. All countries began to implement a five-year plan, which emphasized an economic strategy anchored in the development of heavy industries. As traditional pre-war economic ties with the rest of Europe and the United States were broken, the Eastern European countries were forced to lean on the Soviet Union and

gradually became transformed into the Soviet Union's industrial reprocessing plant and farm commodity base.

Following the intense political and economic changes described above, the Eastern European countries fully abided by the Soviet model to set up a Soviet-style socialist system characterized by a high concentration of power in one party politically and economically, overall planning, and in management. And while this system did manage to bring about a certain degree of social and economic development within a certain period of time and certain constraints, it was, after all, not suited to the historical traditions and existing conditions of the Eastern European countries. It could not guarantee long-term social stability and sustained economic development. Moreover, this Soviet-style political and economic system was imposed upon the Eastern European countries under Soviet pressure and interference, making it emotionally unacceptable to the people of these countries. And following the incorporation of the Eastern European countries into the "big family" manipulated by the Soviet Union, they were obliged to follow the Soviet Union closely in foreign affairs and were thus criticized by the West as being "satellite states" of the Soviet Union. This dealt an even bigger blow to the national pride of the people of these countries. Owing to the failure to resolve these general and fundamental issues, and despite the undeniable achievements scored by the Eastern European countries in the four decades after the war, this path to socialist development, which has been distorted by the influence of the Cold War and by the Soviet Union's domination and which does not then conform with realities in the Eastern European countries, could not possibly play up the superiorities inherent in a socialist system.

Obviously, if the Eastern European countries are to advance, they will have to reform this Soviet-styled political and economic system that does not conform with their existing realities. Naturally, this does not mean the abandonment of socialism itself or the rejection of the socialist path that was chosen by the people of Eastern Europe back in the early postwar period. Reform is absolutely necessary in the Eastern European countries, but failure to adhere to the socialist direction will make it impossible for the reforms to succeed. The question is that the development of the Eastern European situation, including the current uncertainties and future direction, will still be restricted by general international situation. While military confrontation between the East and the West fades, the struggle in the political arena and on the ideological front has intensified. The new Cold War, which is gradually growing under this new situation, continues to seriously affect the Eastern European countries. Under no circumstances can capitalism bring peace and happiness to the people of Eastern Europe; this has been proven by history. It is up to the people of Eastern Europe to explore and realize how socialism can be made to adapt to their national conditions and manifest its inherent advantages.

Military

Article Views Domestic Military Law Research

HK1903045290 Beijing JIEFANGJUN BAO
in Chinese 1 Mar 90 p 3

[Article by Tu Men (0956 7024): "Present Situation and Basic Task of Military Law Research in Our Country"]

[Text]

The Current Conditions of Military Law Research in Our Country

Military law existed long ago in ancient times, but it was not until this century that military law was taken as an independent branch of learning and research in foreign countries. In our country, the research of military law began just a few years ago. After the Third Plenary Session of the 11th CPC Central Committee, socialist democracy and the building of the socialist legal system in our country entered a new development period. The National People's Congress [NPC] and its Standing Committee have successively promulgated some military laws; and the State Council and the Central Military Commission have promulgated a series of administrative regulations for military affairs. This not only provides legal grounds for national defense construction and for the construction of the armed forces, but also provides necessary conditions for the research of military law. The issue of founding and developing the military law theory in our country has attracted wide attention inside and outside military circles. Famous jurists Zhang Youyu and Pan Nianzhi mentioned for the first time that military law is a branch of law that should be seriously studied and treated in the preface they wrote for the "China's Encyclopedia" (the volume on law) published in 1984, because military law holds an important and independent position in the realm of law. The law workers in the military should particularly shoulder the task of founding and developing the theoretical research of military law. Through studying Marxism-Leninism and Mao Zedong Thought and going deeply into the realities of life and through making painstaking and unswerving efforts, they have done a great deal of useful work for creating the military law theory with Chinese characteristics. In September 1986, JIEFANGJUN BAO's Editorial Department held a forum in the headquarters of the navy on the construction of the military legal system. There, experts and scholars inside and outside the military discussed the issue of strengthening the military legal system and exchanged opinions on such issues as "renewing concepts," "accelerating the process of military legislation," "setting up functional institutions responsible for the building of the military legal system," and "strengthening the research of military law" for the first time by combining theory with practice. In the autumn of 1986, the Military Structuring Department of the Academy of Military Sciences adopted the research project of "national defense legislation," and pointed out that "military law should be taken as an independent law branch in our country's law

system." It also submitted a report on establishing and improving the military law system in our country to the Central Military Commission. According to incomplete statistics, in 1987, more than 40 academic treatises and articles on military law were openly published in various newspapers and journals throughout the country. In 1988 and 1989, more than 100 academic treatises and articles on military law were published in various newspapers and journals inside and outside the military in the whole country. The book "China's Military Law," as our country's first theoretical work in this field, was published in 1988 by the National Defense University Press with Comrade Zhang Youyu's help and support, and it filled the gaps in the basic theoretical field of military law in our country. In addition, such monographs as "Talk about the PRC Interim Rules on Penalizing People in Active Military Service Who Commit Dereliction of Duty," "Crime of Dereliction of Duty Committed by People in Active Military Service," "National Defense Construction in the Future," "An Introduction to Military Structuring Theory," "Legal Psychology in the Armed Forces," "Security Work in Grass-roots Military Units," "Outline of Investigations of Criminal Cases Involving both Military and Civilian People," "National Defense and Legislation," and "Theory on the Construction of Armed Forces" were published successively. They enunciated the theories related to military law from different angles. In particular, JIEFANGJUN BAO and FAXUE ZAZHI [LAW JOURNAL] set up such columns as "Soldiers and Law" and "Knowledge about Military Law" to publish some articles with original viewpoints, thus playing a positive role in promoting the research of military law. The columns won favorable comments from readers inside and outside the military.

In 1987, military law was included in "China's Military Encyclopedia" as one of the 57 branches of learning. In October 1987, the Academy of Military Sciences held the first forum on the basic theoretical issues of military law. In November 1987, JIEFANGJUN BAO's Editorial Department invited some comrades concerned from the Central Military Commission, the general departments, and various big units in Beijing to discuss the long-term and short-term objectives in the construction of the military legal system. In the same year, the State Education Commission officially took military law as a branch of learning in the category of law. In June 1988, the Central Military Commission set up its legislative bureau and laid down nine tasks for this bureau. One of the tasks was to "carry out research of the military law theory and develop academic exchanges." This indicated that the Central Military Commission attached great importance to the research of military law. In June 1988, the Editing Office of the Military Law Branch of "China's Military Encyclopedia" held an academic symposium on military law in Beijing. The meeting mainly discusses the the position and role of military law in national defense construction and the attributes, scope, structure, contents, and classification of military law. After its founding, the Central Military Commission's Legislative Bureau also held a series of meetings

including the "All-Army Military Legislative Work Symposium," the "Theoretical Forum on the Building of the Military Legal System," and the "Meeting for Sorting Out and Compiling the Military Rules and Regulations." These meetings and activities effectively promoted the in-depth development of the research of military law in our country and led to the continuously enhancement of the research level. More and more people became interested in, and began to engage themselves in, the research of military law. In October 1988, the Law Society of China held a theoretical symposium on the building of the legal system in the previous 10 years. The leader of the Law Society once again affirmed in his concluding speech that military law is a "new branch of learning" in our country's law science.

In short, in the past few years, the research of military law has made major progress that was unprecedented after the founding of the PRC. However, we should also notice that the theory of military law in our country remains rather weak in general. So far, our theory of military law still lags far behind the needs in the practice of building the military legal system. We have not yet been able to provide scientific theoretical answers of guiding significance from the high plain of law to many important legal issues in national defense construction and in the construction of the armed forces. Many factors caused the current situation in which military law is far from meeting the requirements in objective reality. Among others, the most important reason was that military law did not attract necessary attention for a long time. When the legal system as a whole was neglected, it was natural that the research of law was weak. At present, the party and the state, and the Central Military Commission as well, have attached importance to the building of the military legal system, but the weak condition of military law research cannot be changed in a short time. The contradiction between the development of the military legal system and the weakness of military law research became more salient. The Military Law Society was founded against this background in order to solve the contradiction. The practice of building up the military legal system has brought about more and more questions. The objective of the military law research is to lay a solid theoretical foundation and build up a well-structured theoretical system of military law with substantial contents. Unswerving efforts will be made to strive for this objective. This is not only urgently needed in the state's legal system development but is also urgently needed in the Army's legal system development.

Basic Tasks in Our Country's Military Law Research

The military law as a branch of learning and the laws on military affairs are two different concepts. The military laws are designed to regulate military relations, and they set general legal standards for national defense and all military activities. They mainly include the stipulations on the national defense leadership structure, the system for military service and mobilization, the organization, training, and management systems of the armed forces, the treatment enjoyed by soldiers and the systems for

their mutual relations, the systems for the production, guarantee, and use of military materials, the national defense education system, the systems of the armed forces' combat duties in wartime or on other emergency occasions, and the stipulations on penalties for criminal offenders who damage the state's military interests and the relevant trying and sentencing system.

On the other hand, military law as a branch of scientific learning is the study of military laws as well as the emergence, nature, characteristics, role and general development regularity of the military laws and the formulation, enforcement, and observance of the military laws and other relevant legal phenomena.

The 1982 PRC Constitution includes many articles on national defense, and there are substantial contents in these articles. For example, it is stipulated that the national defense task in the new period is to gradually realize national defense modernization. The constitution also stipulates the character, status, role, and tasks of the armed forces, stipulates the functions of the supreme organ of the state power, the administrative organs, and the military organs in national defense and in the construction of the armed forces, stipulates the fundamental system for national defense activities, stipulates the establishment of the military courts and the military procuratorates, and stipulates the rights and duties of the citizens with regard to national defense. It is clear that the current constitution includes many principled stipulations on national defense, on the construction of the armed forces, and on strengthening military legislation. They constitute the legal grounds for our military legislation and also provide the theoretical grounds for our military law research.

The main task in our research of military law is to study the effective way to further strengthen military legislation on the basis of the PRC Constitution and to improve the national defense structure and the military management systems so as to guarantee the party's absolute leadership over the armed forces, to guarantee the implementation of the party central leadership's line, principles, and policies, and to guarantee the implementation of the Central Military Commission's principle of "commanding the troops according to the laws." The research of military law should serve the armed forces' construction and reform, serve the purpose of enhancing national defense strength and the armed forces' combat effectiveness, serve the state's military interests, and serve the purpose of guaranteeing the armed forces' and the soldiers' legitimate rights and interests. We should proceed from our national conditions and from the concrete conditions of the armed forces, follow the Central Military Commission's principle of commanding the troops strictly according to the laws, and carry out research activities around the legal theoretical issues and major practical issues concerning national defense construction and the construction of the armed

forces, thus further promoting the prospering development of military law research in our country. The main contents of research may be selected from the following points:

First, basic theoretical issues of military law.

These issues include the subjects, methods, tasks, and targets of the military law research; the status and role of military law in the general law studies; the theoretical system and division standards of military law; the current conditions and main problems in the research of military law; the environment, conditions, and measures for strengthening and enriching the research of military law; and the relations and differences between military law and other law branches.

Second, the issues concerning the building of the military legal system.

For example, the concept and definition of the military legal system; the relations and differences between the military legal system and the state legal system; the status and role of the military legal system construction in the state legal system construction; the status of role of the military legal system construction in the armed forces' construction and reform; the short-term objectives of the military legal system construction; the principles for building the military legal system; the establishment and improvement of the institutions in the military legal system; the scope, main contents, and characteristics of the military legal system construction; the coordinated development and relevant measures for the building of the military legal system; the studies of building the foreign-related part of the military legal system; and the relationship between the building of the military legal system and the stable relations between the state and the armed forces.

Third, the issues related to commanding troops according to the laws.

For example, the legal grounds for commanding troops; the immediate significance and necessity of following the principle for commanding troops according to laws; the main problems in this regard; the relationship between commanding troops according to laws and the construction and reform of the armed forces; the relationship between commanding troops according to laws and setting strict demands on the troops; the relationship between commanding troops according to laws and safeguarding the party's absolute leadership over the armed forces and the stability of the armed forces; the concrete contents and specific requirement of commanding troops according to laws; and the main obstacles to this objective and corresponding countermeasures.

Fourth, the issue of safeguarding the state's military interests according to laws.

This includes the legal grounds for safeguarding the state's military interests; the amendment of the constitution, the criminal law, and other legal documents for the purpose safeguarding the state's military interests; the relationship between the state's military interests and other state interests; various cases of illegally encroaching upon the state's military interests and corresponding countermeasures; the significance and urgency of safeguarding the state's military interests; the legislation scope, contents, and requirements for safeguarding the state's military interests; and the study and introduction of foreign legislation for safeguarding their state military interests.

Fifth, the issue of military legislation.

The concept and definition of military legislation; the relationship between military legislation and state legislation; the structure of and the foundation for military laws and regulations; the legislative jurisdiction and procedures of military laws and regulations; the jurisdiction classes and titles of the military laws and regulations; the main issues in military legislation; Their reasons and the ways to solve them; the study and introduction of foreign military legislation.

In addition, issues concerning military jurisdiction, the military procedural law, the military legal service, and the propaganda and education programs related to laws should also be studied.

The founding of the Military Law Society indicated that the research of military law in our country has moved onto the path of organized and planned development. Henceforth, the Military Law Society should actually fulfill its historical mission, effectively advance the research of military law in our country, and make greater achievements. Our Marxist military jurists in China are able and courageous to meet various challenges of the times. It is hoped the Military Law Society will be able to more extensively unite and organize the comrades engaged in the practice of building the military legal system and in the study of military law theories to make concerted effort with one heart and one mind, thus bravely breaking new grounds and making contributions to the creation of Marxist military law with Chinese characteristics and to the fulfillment of the legal system construction task of the party and the state and to the maintenance of a high degree of state and social stability.

Article Views Military Theoretical Study

HK1903010490 Beijing JIEFANGJUN BAO
in Chinese 2 Mar 90 p 3

[Article by Tao Bojun (7118 0130 6874): "My Humble Opinion on Strengthening Military Theoretical Study"]

[Text] 1. Military training is constant key work in the Army, and the basic activities in practice to improve our troops' combatting effectiveness in peacetime. This truth has come within the grasp of increasingly greater number of people. However, in dealing with military training,

some comrades more often than not neglect a very important content, namely, military theoretical study. They fail to see that military exercise includes education in military theory and coaching in combat skills. The indifference toward military theoretical theory is also an expression of "coldness in military training." A correct understanding in this point cannot be superfluous. Military theoretical study should not be regarded as the practice of "armchair strategist," but military training with intelligence. The contention in military theory is, in a sense, "a war without bloodshed."

2. Military theoretical study aims at improving one's ability in theoretical thinking. Engels said: "Theoretical thinking is indispensable for a single moment if a nation aims to stand at the peak of science." This is also true of an army which strives to be invincible. An Army without the guidance of correct theory, not being good at theoretical thinking is liable to be rash in action.

Theoretical thinking means the course of applying scientific way of thinking to revealing the nature and internal links of matters to arrive at a correct knowledge to guide activities in practice on the basis of perceptual knowledge. The two basic yardsticks to weigh the ability of a military commander in theoretical thinking are whether or not he is good at guiding military activities with scientific military theory; whether or not he is able to conduct fresh theoretical generalization of practical work to guide future practice. Both are important components of a cadre's ability in organization and command and the combatting effectiveness of the troops; they are the ABC's for a military commander to sweep through the length and breadth of the military labyrinth. Especially under the new situation by which the new technological revolution deeply affects military affairs, quick judgment, acting according to circumstances, being good at control and coordination, blazing new trails, and the ability of proposing sound measures under extraordinary circumstances have become the essential qualities of a contemporary commander.

3. The People's Liberation Army has all along attached importance to military theoretical study. Especially since Comrade Deng Xiaoping was in charge of the Central Military Commission, the whole Army has unfolded study and research in the military thinking of Marx, Lenin, Stalin, and Mao Zedong. At the same time, it has paid close attention to the development and changes in the world's military theories under the new conditions; consequently, commanders at various levels have greatly improved their ability in theoretical thinking, which has, in turn, promoted all-around armybuilding. However, imbalance exists in this sphere. Some units and comrades are liable to relax their military theoretical study because they are very much caught up in their work. Others lack explicit purpose, and a pressing need for the study; they are short of a plan for study, and are satisfied with a piecemeal approach. Still others sever study from practice, and they have failed to answer, and find a solution to practical problems; by and by they are losing interest in military theoretical study...generally speaking,

the problem today remains cadres's ability in theoretical thinking lagging far behind the demands of situation and tasks.

A pressing topic for us to implement the armybuilding concept in depth during the new historical period to strengthen armybuilding in a comprehensive way is to augment military theoretical study to upgrade cadres' theoretical attainment. In recent years, military academic thinking has been rather active, such state of affairs is very conducive to developing military theory. However, not all concepts are scientific, and conform to our realities. Moreover, there are often controversial views regarding one issue. That would be rather difficult to tell right from wrong, and would even regard fallacy as truth, and the consequences are self-explanatory.

4. Intensity and persistence in study are derived from a correct understanding of study, namely, internal impetus as often referred to. "Shortage of time for study" should no longer be an excuse for failure in study today. When military science and technology are developing fast with each passing day, with the situation of military struggle ever changing, and the development of military theory accelerating, anyone would fall behind should he fail to work hard in study. That is a universally accepted fact. Even some comrades who studied military theory in a comparatively systematic way in the past need to continue to improve themselves and to enrich themselves with new knowledge. We should not exaggerate our heavy work, saying that it makes study "an impossibility," but see the fact that only by augmenting our study, and improving our theoretical level and work ability will it be possible for us to go along with the objective law governing things, and get twice the results with half the effort in our work. We should also see that the development of our cause requires respective development of cadres' qualities. Should we focus on the work before us while neglecting theoretical attainment, we should fail to do a good job of our work, and it would be especially unfavorable to the long-term armybuilding and cadres' own progress.

5. It is necessary to do extensive reading in military theoretical study, at the same time, we should not lose our way in the ocean of books. We should have some knowledge of military theories of all times and all countries, proletarian and bourgeois. However, we must adhere to taking Marxist military theory as the key. The Central Military Commission has set the study and research of Marxist basic tenets as a pressing task for us. The military theories of Marx, Engels, Lenin, Stalin, and Mao Zedong are the important components of the treasure house of Marxist theory, which is especially the essential course for military commanders. We should not rest satisfied with studying and grasping some bits, but study with intensity in depth, while paying attention to linking to the conditions of the world, the nation, and the Army, and making theory serve realities. In other words, it is necessary to center around such topics as how to do a good job in armybuilding in the new historical period, how to cement our border guarans, how to deal with

sudden outburst of border hostilities and partial war, and how to exercise the army's internal and external functions. Study and research should be conducted with definite purposes, and never be divorced from realities.

6. As military theory is one of the basic tasks for military training, it is necessary to augment leadership, and to establish efficient institutions. For example, to put military theoretical study on the agenda, with time for study guaranteed; to run study class on military theory in a planned way, with cadres taking short-course training in rotation; to strengthen guidance and checkup on self-study, and to organize experiences in self-study; to organize research in special topics by linking to military tasks of the troops, and to urge combining theory with practice in theoretical study; and to bring up a backbone contingent of military theoretical study to push forward the progress in study activities. Besides, it is essential to list theoretical attainment as one of the criteria for examining cadres.

Article Discusses Slow Lag-Time in Tactics

HK2003130190 Beijing JIEFANGJUN BAO in Chinese
23 Feb 90 p 3

[Article by Liu Senshan (0491 2773 1472): "An Analysis of Lagging Nature of the Formation of Tactics"]

[Text] The firelock has been the main driving force for the square tactics to change into linear tactics. Nonetheless, firelocks were put to military use as early as the middle of the 14th century, while the linear tactics were only in its infancy in the thirties of the 17th century. Tactics came 300 years later than the advent of the technical equipment.

The rifle shooting machine has been the main driving force for the linear tactics to change into the airborne-troop tactics and the column tactics. Rifle shooting machines were put to military use in the 15th and 16th centuries, while the airborne tactics and the column tactics were only gradually worked out in the Napoleonic wars at the end of the 18th century and the beginning of the 19th century. There was a 400-year gap.

Since the beginning of this century, although weaponry has obviously shortened the time for tactical change, the change, however, takes about 20 to 30 years under normal circumstances, according to the research results of the U.S. military theorist (T.N. Duppee). An additional 20 to 30 years are needed if the development and production cycle of weaponry is taken into account. For example, helicopters underwent upgrade tests in the 20's of this century and they officially came into being at the end of the 30's, whereas the real helicopter tactics are the frog-leap tactics of the 60's and the 70's. Aircraft and parachutes were officially developed in 1905 and 1911 respectively, while airborne troops did not come into being until 1927, and the real airborne tactics were worked out during the early years of the Second World War. Tanks were developed in 1915 and 1916, while the

real tank tactics were successfully advanced by (Gute-lian) of Germany on the eve of the Second World War.

The fact that the formation of tactics always comes later than the advent of technical equipment is attributable to the serious separation of equipment and tactical studies, to tactics' passive acceptance of equipment, and especially to the fact that technical equipment is primary while tactics which falls into the theoretical domain is secondary. Material comes before spirit; and technology determines tactics. It is impossible for us to develop tactics to its maturity at a time when the corresponding equipment has not been developed.

The so-called advance design of tactics means that we design and produce weaponry according to definite tactical designs. This is contrary to the view that material comes before spirit or that weaponry comes before tactics. Although it can reverse the situation in which tactics accept technical equipment passively or follow it negatively, and although it increases the inherent speed of tactics, it is merely a rough and predictive supposition. We can only gradually bring this kind of tactics into maturity after the corresponding technical equipment has been developed.

This makes it impossible for us to rule out the lagging nature of tactics, because:

New equipment are developed only through a repeated process from technical designs, trial production, form fixing, and approved-quantity production. All this process takes seven to 15 years in the cases of aircraft and of guided missiles. For more complicated weapon systems (for example, star-wars military systems), it takes more than 20 to 30 years.

When a piece of new technical equipment is produced, its technical functions are often more than or less than the designer's subjective demands. Moreover, it also needs an arrangement system, under which it matches other weapons, and the practice of its comprehensive use in battlefields. In view of this, we cannot exceed the supplementary evidences of theories, or tactical retrieval. The hovercraft has been in use for some 20 years. However, its tactics are still being tried and improved.

The formula of the theory of knowledge is "practice plus knowledge plus further practice plus further knowledge." The whole process of tactical design which is worked out before the advent of equipment is a real maturing process, and is a process that leads to knowledge through practice. If we assume that the existence of theoretical designs are mature tactics themselves, we obviously exaggerate the spirit and the negative effects of theories. For example, as early as the 1980's, the U.S. Air Force advanced the space-land integration military theoretical design, however, it regards the design as the basic means for military campaigns in the early years of the next century, because some corresponding technical problems still have to be improved through practice such as weaponry, the arrangement system, command, and control.

The lagging nature of tactics is objective inevitability. Nonetheless, as far as its nature is concerned, we can divide it into the normal lagging nature and the abnormal lagging nature. The normal lagging nature refers to the fact that after technical equipment or tactical designs are produced or worked out, we can succeed in perfectly unifying equipment, the arrangement system, and tactics by using objective efforts. This is the lagging that is in keeping with the laws. The abnormal lagging nature refers to our inability to succeed in perfectly unifying equipment, the arrangement system, and tactics during the normal lag period.

Dialectical materialists acknowledge the normal lagging nature of tactics, and try their best to avoid the abnormal lagging nature. Generally speaking, during the period when tactics passively accept technical equipment, abnormal time lags result mainly from our sticking to the old tactics and the old arrangement system. Today, when we are in a position to make tactical designs before the advent of equipment, abnormal time lags result from a variety of reasons such as: predictions are so remote that they surpass the objective probability of scientific technology and the economic foundation; or our inability to provide timely support in terms of equipment according to the demands of designs and of the production of equipment; or the limited practice such as training with the result that the predictions cannot be sufficiently tested and supplemented at all.

From this we can discern that the lagging nature of tactics does not exclude the inevitability of battlefield predictions. Conversely, it explains that we should pay attention to the role of prediction as a guidance to the development of tactics. In recent years, particularly, in addition to missiles, helicopters, remote sensation, remote testing, satellites, and the C3I automatic system, there are invisible weapons, aircraft, warning aircraft, and laser guided weapons. The multitube conventional weapons are powerful antipersonnel ones. They are almost similar to small tactical nuclear weapons. In the foreseeable future, there will definitely be great changes in battlefields. If we do not pay special attention to strengthening predictive studies, we will have difficulty overcoming the blindness of tactical development or shortening its lag-time period.

On the other hand, making battlefield predictions and working out tactical designs without the support of equipment are merely something in our minds or on paper. The slower the time the weaponry comes, the slower the tactical reform begins. As the world's military struggles are continuously developing, even if our Army carries out designs and produces new technical equipment immediately, we are afraid that they will, according to the normal law of the tactical lagging, only materialize in the early years of the next century. Therefore, we must not merely focus on the present time but should look into the future. To develop military theories and tactical thoughts, we must organically integrate the weapons that correspond to development, and the arrangement system. We should not separate them.

PLA Steps Up International Military Studies

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[By reporter Xu Jingyue (1776 0079 6460)]

[Text] Beijing, 17 Mar (XINHUA)—Academic research of international military affairs by China's Armed Forces has increasingly been stepped up, playing a "watchtower" and "scouting" role in modernizing China's national defense.

China's Armed Forces have established a well-staffed international military research contingent, which possesses rich research data and has considerable influence in academic circles. The contingent attaches importance to researching basic theories, resulting in the establishment of a considerably complete system of international military research. Its research covers the military thinking of various countries, their national strategies, defense strategies, military strategies, battle theories, military education and training theories, military technology development, use of weapons and other military equipment, modern local wars, emergency situations, and international peace and security. It has published "Collected Works on Military Affairs by Marx and Engels," "Collected Works on Military Affairs by Lenin," "Collected Works on Military Affairs by Stalin," "Military Strategy," "Grand Strategy," "Brief History of the Second World War," and other academic research works.

In recent years, the contingent introduced to China's Armed Forces dozens of new studies, new ways of thinking, new viewpoints, and new methods, such as studies of military maneuvers, military systems engineering, electronic warfare theory, military psychology, military command management, military leadership, future military affairs, local war theory, and comprehensive national power. These studies have paved the way for modernizing China's national defense. The contingent also provides counseling services to the general departments of the People's Liberation Army and major military units of the Armed Forces concerning the central tasks and key training programs of the Armed Forces. In addition, it conducts extensive academic exchanges with the United States, Japan, the FRG, France, and Britain.

Article Urges Protecting Army's Purity

HK2803041190 Beijing JIEFANGJUN BAO
in Chinese 8 Mar 90 p 3

[Article by Qiu Jichen (6726 4949 5256): "Protect the Army's Purity as We Do Our Eyes"]

[Text] Recently, when inspecting the troops, the central leading comrades have repeatedly pointed out that our Army must be pure and we must protect the Army's purity as we do our eyes. This is an important question calling for deep thought. It has been put forth after summing up the historical experiences of the People's

Army and in light of the changes in the situation at home and abroad and the Army's realities. It has pointed out a clear direction for our effort to strengthen the political building of the Army under the new historical conditions.

Only when our Army is pure can we maintain its original political color. The People's Liberation Army [PLA] is an armed group established and led by the Communist Party to carry out revolutionary political tasks. Its only purpose is to serve the people wholeheartedly. Since its founding, our Army has been paying great attention to protecting its purity. In the years of war, in view of the fact that the soldiers had come from various areas and some phenomena of impurity existed in the Army in respect to ideology, organization, and style, attention was paid to strengthening political education among the broad officers and men and vigorously strengthening ideological and political work. On the other hand, organizational rectification and consolidation were often carried out. In a certain sense, a series of army rectification movements carried out in the past, such as the well-known Sanwan Redesignation, the Gutian Meeting, the rectification study during the Yanan period, and the new army rectification movement with "pouring out grievances against the old society and three checkups" as the main task, were all aimed at purifying the Army. As the landlord and rich peasant elements and other reactionaries who had sneaked into the Army as well as all kinds of nonproletarian ideologies were cleared away in good time, the Army became invincible and achieved one victory after another in their hard struggle. After entering the socialist period, as we had paid attention to protecting the Army's purity, we successfully resisted the corrosive influence of bourgeois ideology, prevented alien-class elements from sneaking into the Army, inherited and developed the Army's nature as the People's Army, ensured the party's absolute leadership over the Army, and successfully fulfilled all tasks entrusted by the party and the people.

To protect the Army's purity is also an important matter to ensure our people's Army to be politically qualified all the time. In the late spring and early summer of last year, a handful of people, who stubbornly insisted on their stand of bourgeois liberalization, made use of some problems that emerged during reform and opening up and certain phenomena of corruption within the party and initiated a political turmoil to overthrow the Communist Party and the socialist system. The turmoil then grew into a counterrevolutionary riot. Under this situation, our Army resolutely carried out the policy decision of the party Central Committee and the Central Military Commission and took an active part in the fighting to suppress the riot. At that time, there were two different voices within the party, and many people who did not know the truth could not quite understand the Army's actions. Moreover, a handful of hostile elements in society had created rumors to shake the Army. Under such situation, our Army was still able to stand the test of blood and fire and did not flunk in the serious political

examination. An important experience was that the Army had been holding high the great banner of the four cardinal principles and had unified their thinking with the policy decision of the party Central Committee and the Central Military Commission so as to ensure the purity of the Army in the political, ideological, and organizational fields. Of course, purity can be protected only in the course of fighting against impurity. We can never think that the question of purity has been totally solved as the Army has been proved to be politically qualified during this struggle. We must understand that being politically qualified does not mean that the Army is ideologically "flawless" and that once the Army is pure it will never again be polluted. For this reason, we must more conscientiously bring the question of protecting the Army's purity onto the track of the army's political building and do a good job in this field so that more substantial results can be achieved.

To protect the purity of the Army is the most important condition and an important measure for ensuring our Army to be always invincible, especially in the current struggle against "peaceful evolution" pursued by the hostile forces at home and abroad. Our Army is the pillar of the people's democratic dictatorship. It shoulders the heavy tasks of resisting foreign invasion and protecting peace for the people. This important role of the Army in the state power is a big obstacle for the enemies at home and abroad who are attempting to subvert our socialist system and pursuing "peaceful evolution." Especially, after we have achieved the victory of quelling the counterrevolutionary riot, the monopoly bourgeoisie outside and the "elite" advocating bourgeois liberalization at home held that their failure was because they did not have the Army under control. For this reason, they have openly declared to put the stress of "peaceful evolution" on military personnel. They have wantonly and widely spread the ideological trend of bourgeois liberalization and advocated "nationalization of the Army" and "separating the Army from the party," attempting to make the Army ideologically confused and separated from the party leadership. They have also spread the decadent bourgeois outlook on life and value and the bourgeois way of life in the Army. If our Army is not pure and if some comrades do not have a firm will, they can be easily hit by the enemy's "sugarcoated bullets" and become the captives of the "peaceful evolution" scheme. But if our Army is pure, the enemy will have no opportunity to seize and we will surely be able to crush the conspiracy of our enemies at home and abroad who are trying to realize "peaceful evolution" in our Army. We will surely be able to build our Army into a powerful fighting force against "peaceful evolution."

In order to protect the purity of the Army, great efforts must be made in the political, ideological, organizational fields as well as in the Army's work style. Politically, we must maintain a high degree of unanimity with the party Central Committee and always place the Army under the absolute leadership of the party. We must ensure that under all circumstances and at all times, the Army will

always firmly stand on the side of the party Central Committee and resolutely carry out the orders of the party Central Committee and the central Military Commission no matter what changes have taken place in the political situation, and will carry out resolute struggles against all ideas and actions that are counter to the party's line, policies, and principles and to the four cardinal principles. Ideologically, we must steadfastly adhere to Marxism-Leninism and Mao Zedong Thought and resolutely resist and criticize the ideological trend of bourgeois liberalization and bourgeois outlook on life and value. We must conscientiously oppose individualism and liberalism, endeavor to transform our world outlook, and have our ideological position always be occupied by the socialist and communist ideas. Organizationally, our guns must always be in the hands of those who are politically qualified and who are always loyal to the party, the people, and the socialist motherland. There is also the question of protecting purity in the Army's work style. Over the past years, some problems have also emerged in the Army, such as practicing fraud, reporting only the good and covering up the bad, doing things perfunctorily, and indulging in formalism. Therefore, we must encourage the style of seeking truth from facts and oppose practicing fraud and regard this problem as an important problem concerning the success or failure of army building and reform, so that it can be solved conscientiously.

Article Stresses Political Qualifications

HK2703023190 Beijing JIEFANGJUN BAO
in Chinese 3 Mar 90 p 2

[Article by Ding Henggao (0002 5899 7559): "Earnestly Strengthen and Improve Ideological and Political Work; Ensure That the Armed Forces Will Always Remain Politically Qualified"]

[Text] Guided by the spirit of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee, the just-concluded political work meeting of the entire Armed Forces focused its discussions on the problem of building up politics and enabling the Armed Forces to remain politically qualified forever. The meeting proceeded satisfactorily and successfully. In line with the instructions of Comrade Deng Xiaoping and the Central Military Commission, the "program" formulated by the meeting scientifically analyzes the domestic and international situation as well as the "three tests" in army building. It explicitly points out the fundamental orientation of army building in the new situation and explains the problems to be urgently solved in the political work of the Armed Forces at present and in the future. We should conscientiously study the documents of this political work meeting and unify our understanding on the basis of the "program."

1. Ensuring that the Armed Forces will always remain politically qualified should be taken as a task of primary importance. Ensuring that the Armed Forces will remain politically qualified is the central issue of the "program"

and of political work in the Armed Forces as well. We should explicitly understand the historical mission we undertake, and improve our sense of urgency for remaining politically qualified forever. Ideologically, leaders of the Armed Forces should pay particular attention to the following points:

First, they should correctly understand the relationship between becoming politically qualified for the present and remaining politically qualified forever. Ensuring that the Armed Forces remain politically qualified forever is a long-term task. Being politically qualified for the present does not mean being politically qualified forever. Keeping our long-term interests in mind, we should proceed with our work step by step and try to do good a good job in all fields of work. Every comrade should devote more efforts to transforming his world outlook and to making himself politically qualified forever. Every comrade should be able to stand the test of all political storms. In addition, it is necessary to make it clear that an army unit is a mobile, combat collective. The new replacing the old is a characteristic of army building. When this generation is politically qualified, this does not mean that the next generation will also be politically qualified. Therefore fundamentally speaking, enabling the Armed Forces to remain politically qualified forever involves training qualified successors. We should cultivate a strategic concept in undertaking the sacred mission of training revolutionary soldiers who have ideals, culture, morality, and discipline.

Second, they should correctly understand the relationship between the higher levels being politically qualified and the lower levels being politically qualified. Both the higher and lower levels should made politically qualified, but making the higher levels politically qualified should be given first priority. Leaders at the regimental level and above, particularly top leaders at the army level, play a decisive role in army building and in ensuring that the Armed Forces will remain politically qualified forever. But when the higher levels are politically qualified, this does not mean that the entire Armed Forces are also politically qualified. To ensure that the Armed Forces will remain politically qualified, we should not lose sight of the lower levels. Only when the higher and lower levels are politically qualified, can we guarantee that the entire Armed Forces will remain qualified.

Third, they should correctly understand the relationship between being qualified in thought and being qualified in action. Being qualified in thought is a guarantee of being qualified in action, but being qualified in action does not mean being qualified in thought. To be qualified in thought, one must study the basic theory of Marxism, thoroughly get rid of the influence of bourgeois liberalization, and be more determined to carry out the four cardinal principles. It is necessary to study the state of mind of leading cadres at the regimental level and above. In this way ideological education will proceed in a down-to-earth manner.

2. Ideological and political work must be strengthened and improved. Practice has proved that to make the Armed Forces politically qualified forever, it is necessary to strengthen and improve their ideological and political work. Only by taking ideological work as the "lifeblood" of the Armed Forces and by strengthening and improving ideological and political work in the Armed Forces, can we guarantee that the Armed Forces will remain politically qualified forever and be able to stand the "three tests," to resist foreign aggression, and to defend the country and the people. The "program" and an important speech by Central Military Commission Secretary Yang Baibing, profoundly explain the dialectical relationship between "strengthening" and "improving." Strengthening is a precondition whereas improving cannot be separated from strengthening; only through constant improving, can there be effective strengthening. Therefore, we are required to inherit and carry on the party's fine tradition in political work, and to explore and blaze new trails according to the objective environment, external conditions, tasks, targets of education, and the mental status of political cadres. We should adhere to the guiding principle of "strengthening and improving" ideological and political work, and overcome the tendency of overlooking this work. It is necessary to ensure absolute party leadership over the Armed Forces, to ensure a high degree of stability and unity in the Armed Forces, to ensure that the Armed Forces will remain politically qualified forever, to correctly understand the relationship between strengthening and improving ideological and political work, and to promote the healthy development of political work.

As the main forces in political work, political organs and political cadres assume direct responsibility for the results of political work. These organs and cadres should take the lead in ensuring that the Armed Forces will remain politically qualified. Only when they themselves are politically qualified, will they be able to build their reputation and authority and play their role in political work.

Strengthening and improving political work does not involve political organs and political cadres alone, but party committees as well as all kinds of organs and cadres should assume their responsibilities in this respect. Military cadres, logistics cadres, and cadres in charge of science and technology can easily suit the remedy to the case when doing ideological and political work, because they are in the forefront of scientific research, experiments, construction, and training. Therefore ideological and political work must be carried out in such a manner that it infiltrates into scientific experiments, all professional work, and daily life. In this way everyone will engage in ideological and political work.

3. It is necessary to carry forward a fact-finding work style and to improve the impetus of ideological and political work. To display the role of political work as "lifeblood," we should do practical work. To achieve this end, there is a need to restore and develop the Armed Forces' fine tradition in political work, to improve our work style and

methods, and to boost our morale. As long as political organs and political cadres exert themselves, work hard, and display their enterprising spirit, there will be much hope for cultivating the habit of doing work in a down-to-earth manner.

Article Analyzes Structure of Armed Forces

HK2003134090 Beijing JIEFANGJUN BAO
in Chinese 23 Feb 90 p 3

[Article by Zhou Ruinar. (0719 3843 0589): "Organizational Structure Should Not Be Regarded as an Essential Factor of Combat Capability"]

[Text] The Armed Forces constitute a minor society based on combat relations in a certain stage of historical development. Combat relations are social relations between members of the Armed Forces through military training aimed at attaining higher combat capability. Combat relations and combat capability constitute two interrelated and inseparable aspects of the armed forces. The organizational structure is the demonstration of certain combat relations, thus constituting the "super-structure" in the social form of the armed forces. As the social structure is not a factor of the productive forces in general society, the organizational structure of the Armed Forces cannot be taken as a factor of the combat capability.

In order to acquire a better understanding of the concept of combat capability, we make take the factors of productive forces as reference. The definition given by the dictionary of "Ci Hai" is: "The factors of productive forces include 1) laborers with certain scientific and technological knowledge, production experience, and work skills; 2) means of labor, mainly various tools of production, in connection with certain scientific and technological knowledge; and 3) subjects of labor (some theories exclude this item)." Mao Zedong once said that "productive forces can be divided into two main parts, namely, laborers and tools." If we give serious consideration to the concept of combat capability, then we may find that its component factors are similar to those of productive forces. This is because: First, the nature of both combat and production is a kind of social practical activity in which the subject entity tries to conquer the object entity. Productive forces represent the ability to conquer nature, while combat capability is the ability to conquer the enemy. Both refer to the ability of man who should possess as the subject entity in practice. Second, in both cases, the practical activities need to rely on some material means. To conquer nature, man needs to rely on tools; to conquer the enemy, man needs to rely on weapons and equipment. Third, such social practical activities, in which the subject entity has to conquer the object entity, need to establish and continuously reform corresponding social relations. That is, relations of production corresponding to and suited to the need in the development of productive forces should be formed; and combat relations corresponding to and suited to the development of combat capability should also be

formed. Therefore, like productive forces, the combat capability is only composed of such factors as servicemen and officers with certain knowledge about the use of military equipment and with combat experience and combat skills and the military equipment, mainly weapons, in connection with certain sciences and technologies.

The organizational structure of the Armed Forces is not a factor of the combat capability, because:

First, in the final analysis, the organizational structure is the demonstration of the ability of man as the subject entity to conquer the object entity. The combat capability is not only the ability of people who directly fight the enemy, but also includes the ability of people who make decisions in the course of fighting. Whether the organizational structure is scientific and whether the organizational structure can bring the ability of the troops and the functions of the weapons and equipment into full play are indicators that directly show the ability of the decision-making body. The story of Tian Ji who won the game of horse racing does not show that different forms of organization can produce new combat capability. We must not neglect the role of Tian Ji in the game of horse racing. Although he was not the one directly taking part in the horse race, he was in fact involved in the intelligence contest. So there were not only three rounds of horse racing, there was also the fourth round of contest. It was not the way to order and arrange the horses in the games that determined the combat capability, but the ability of the man who made the decision that determined the combat capability. Some scholars once argued that the organizational structure is a factor of combat capability by quoting Engels: "There is an essential difference between the offensive force of a cavalry company or the resistance force of an infantry regiment on the one side and the sum total of the scattered offensive forces of the individual cavalry soldiers or the sum total of the scattered resistance forces of the individual infantry soldiers." It was not quite relevant to quote this passage of Engels', because only "under the condition of good organization can our mental strength be turned into material strength and can such material strength be maximized" (a quotation of Lenin). In the final analysis, the good organization of combat forces is the result of man's desire to conquer, so organization is determined by man's ability.

Second, the organizational structure is influenced and constrained by various factors such as the specific economic conditions, the conditions of science and technology, the conditions of weaponry and equipment, the geographical environment, the quality of the personnel, the combat methods, the historic traditions, and the organizational structure of the opposite side in the battle. In particular, the organizational structure has close relations with the conditions of weaponry and equipment, and their relations are similar to those between the productive forces and the relations of production. In the age of cold weapons [as published], there were only infantry and cavalry. With the appearance of tanks,

airplanes, warships, and missiles, the corresponding organizations of the armored force, the navy, the air force, and the missile force have been included in the modern armed forces. This has changed the methods, principles, and patterns of battles, campaigns, and even warfare as a whole, and has also inevitably required corresponding adjustments and reforms in the organizational structure of the armed forces. Otherwise, the Armed Forces will not meet the combat requirements and will not be able to bring the functions and power of the existing technological means and weapons into full play. Therefore, the issue of organizational structure is merely related to the organizational relations of the combat forces.

Third, the organizational structure will promote the enhancement of the combat capability only when it is suited to the development of combat capability; otherwise, it will become a constraint on the development of combat capability. According to historic materialism, productive forces and relations of production exist in all social forms, and they depend on each other and react to each other. Relations of production will play a positive and promoting role when they are suited to the development of productive forces; but relations of production will become an obstacle to the development of productive forces when they lag behind the development of productive forces and are no longer suited to the conditions of productive forces. The relationship between the organizational structure and the combat capability is basically the same. The organizational structure is superstructure which needs to be continuously adjusted according to the changing conditions of the factors of combat capability. The factors of combat capability are the most active factors. When the combat capability factors have developed, they will sooner or later evoke corresponding changes in combat organizational relations. The emergence of airplanes and missiles has brought about a series of changes in the military establishment and brought about such new military branches as the air force and the missile force. Such timely changes in combat organizational relations in turn have greatly advanced the combat capability. Of course, the enhancement of the combat capability is not only attributed to the expansion of the military establishment and the combination of various branches of the armed forces. For example, in 1914, Russia divided the artillery regiments, and the artillery companies were subordinate to all infantry regiments. This was a major reason for Russia's great victory in the Silesia campaign. Combat organizational relations constitute a relatively stable factor, because the organizational structure cannot be changed too frequently. However, when the combat capability has developed to a certain degree and combat organizational relations still do not change correspondingly, the combat capability will certainly be kept from being brought into full play. For example, in 1915, Germany used their dirigible airships, or "Zeppelins," to bombard London, and this caused a "great Zeppelin panic" in Britain. However, Germany's strength of air fighters did not match its strength of bombers. Although

Germany had the world's most advanced fighters, they were not properly used to escort the bombers. Finally, all of the 80 Zeppelin bombers were destroyed in a battle, and this event was later called the "Zeppelin tragedy."

There is one more condition. That is, combat organizational relations are also constrained by the state power. When the two sides suit each other or basically suit each other, the combat capability will be properly utilized by the state power and act as a positive factor. However, when the two sides do not suit each other and combat organizational relations cannot be adjusted inside the armed forces, the combat capability may become the force directly destroy the state power and act as a negative factor.

It is of great importance to scientifically approach the issue of combat capability and its composition, because this will raise our consciousness in raising the combat effectiveness of our troops. This above discussion bears a strong theoretical style, but my intention is to better resolve the practical issue.

Article Urges Enhancement of Navy Building

HK2703083390 Beijing JIEFANGJUN BAO
in Chinese 6 Mar 90 p 2

[Article by Wei Jinshan (7614 6855 1472): "Take Implementation of 'Summary' as Plan of Fundamental Importance for Strengthening Navy Building"]

[Text] The "Summary" of the All-Army Political Work Conference has answered the question of the comprehensive, fundamental, and long-range problems to be resolved promptly in Army political work in the new situation. Party committees and political organs at all levels of the Navy should regard serious study and earnest implementation of the "Summary" as a matter of fundamental importance for strengthening Navy building.

1. Reach a common understanding. To implement the "Summary," it is necessary to solve the question of ideological understanding. First, it is necessary to reach a common understanding of the theme of the "Summary." The theme of the "Summary," which has grasped the vital point, is to vigorously strengthen political building and ensure that the Army is always up to standard. Viewed from the major international climate, the international hostile forces are pursuing their "peaceful evolution" strategy toward China. Viewed from the minor domestic climate, confrontation and struggle between the four cardinal principles and bourgeois liberation will continue for a long time to come. Viewed from its position and mission, the Army, which shoulders the antiaggression and antisubversion task, plays a decisive role in maintaining state security and stability. Hence, the question of ensuring that the Army is always up to standard politically is related to the direction of army building as well as long-term stability of the state. Ensuring that the Army is always up to standard politically is a strict demand which should be regarded as a

task of primary importance. All political work should be focused on and give prominence to this theme. Second, reach a common understanding of the questions related to orientation and principle stressed in the "Summary." Proceeding from the needs of strengthening the Army's political building and ensuring that the Army is always up to standard politically, based on summing up the new experience of political work in recent years, and aimed at ideological and theoretical problems confused by bourgeois liberalization, the "Summary" expounded the problems of orientation and principle. It is necessary to particularly reach a common understanding of the following problems: First, reach a common understanding of the lifeline position of political work and uphold the basic principles and fine tradition of army political work; second, reach a common understanding of the principle of the party commanding the gun and uphold a series of fundamental systems of party leadership over the Army; third, reach a common understanding of the importance and protractedness of upholding the four cardinal principles and opposing bourgeois liberalization, persist in putting political orientation in the first place of political work, and regard upholding the four cardinal principles and opposing bourgeois liberalization as the main subject of army political education; fourth, reach a common understanding of the standards of ideological and moral values, adhere to the demands of training revolutionary servicemen with morality, better education, professional proficiency, and a sense of discipline, and advocate and foster the spirit of selflessness and dedication; fifth, reach a common understanding of the criteria for training and selecting cadres, persist in comprehensively implementing the principle of making the ranks of cadres more revolutionary, better educated, professional proficient, and younger in average age [four have] and the principle of ability and political integrity, and put revolution in the first place; and sixth, reach a common understanding of relations between strengthening and improvement and between inheritance and blazing new trails in political work, persist in improvement on the premise of strengthening, and blaze new trails on the basis of inheritance.

2. Grasp the building of leading bodies. Only qualified leading bodies can lead a qualified army. The key to implementing the "Summary" lies in grasping the building of the party committee leading bodies at all levels. The "Summary" has set the requirements of "study, unity, honesty, and reality" for the leading bodies at all levels. These requirements which have summed up the experience of strengthening the leading bodies in the new situation embody the fine tradition of party building and generalize the basic demands of strengthening the leading bodies. We should put these into implementation and build the leading bodies at all levels into the core of firm leadership.

First, enhance faith in socialism. No one can change the fact that capitalism is doomed and socialism is victorious. It is necessary to integrate study with research of the complicated political atmosphere, with criticizing

the views of bourgeois liberalization, and with remodeling the world outlook. Leading cadres should particularly enhance their party spirit so that they will be more soberminded, firm, and mature politically.

Second, resolutely obey the orders of the CPC Central Committee and the Central Military Commission. One of the fundamental principles of Army building is that the party commands the gun. On this question of principle, the party committees at all levels should take a firm and clear-cut stand and resolutely oppose the erroneous viewpoints of "separating the Army from the party and politics." We must resolutely maintain the authority of the CPC Central Committee and the Central Military Commission under leadership of Comrade Jiang Zemin and keep in unity with the CPC Central Committee ideologically, politically, and in action. Despite the complicated problems and serious difficulties, we should unswervingly follow the principle of "the individual is subordinate to the organization, the minority is subordinate to the majority, the lower level is subordinate to the higher level, and the entire membership is subordinate to the CPC Central Committee."

Third, carry forward the fine tradition of maintaining close ties with the masses. General Secretary Jiang Zemin stressed that our party came into being, developed, expanded, and matured in the course of maintaining close ties with the people and working hand in hand with them. The party cannot be divorced from the masses nor can the people be separated from the party. The leaders at all levels should firmly foster a material historic outlook, have faith in the masses, rely on them, be concerned with their well-being, attentively listen to their views, and further increase unity between the high and low levels, between officers and men, between the Army and government, and between the Army and the people.

Fourth, ensure purity of the organization. The fact that the Army performs antiaggression and antisubversion functions has set strict demands on the purity of Army organizations, the leading bodies in particular. It is necessary to implement in an all-around way the principle of "four have's" and ability and political integrity for cadres, put being more revolutionary in the first place, and take note in selecting cadres politically.

3. Improve work style. The implementation of the "Summary" constitutes a constant process of practice, knowledge, again practice, and again knowledge. Study of the "Summary" should be focused on deepened understanding in practice rather than on books and meetings while implementation of the "Summary" should be focused on continuously grasping implementation based on deepened understanding rather than implementing it once and for all. In light of the requirements of the "Summary," leading cadres and political organs at all levels should strive to foster four kinds of good style: Going deep into the realities of life to conduct investigations and studies, speaking the truth and submitting accurate reports, doing practical things and grasping

implementation, and taking the overall situation into account and carrying out work focused on the central task.

The Navy long ago proposed to the leading organs that they should face the ocean, islands, and the basic units. To implement the "Summary," it is necessary to continue to face the ocean, islands, and the basic units. The political organs at all levels should organize cadres to go to the grass-roots units in a planned and step by step manner. It is necessary to give proper guidance, pay attention to the typical examples, and promote the work as a whole.

Nation's First Woman General Passes Away 11 Mar

OW2203195490 Beijing XINHUA in English
1434 GMT 22 Mar 90

[Text] Beijing, March 22 (XINHUA)—Chinese President Yang Shangkun and high-ranking military officers today paid their last respects to Li Zhen, the country's first woman general.

Li Zhen, who was born in Hunan Province, passed away on March 11 at the age of 83.

In 1927, Li took part in the autumn uprising—the first farmers' uprising under the leadership of the Chinese Communist Party. She was also a veteran of the Long March.

Together with her husband, Li fought in the war to resist U.S. aggression and aid Korea (1950-1953).

She was promoted to major general in 1955.

Until 1988, she was the only woman general in the Chinese People's Liberation Army.

Economic & Agricultural

Rural Industries Predicted To Grow 15 Percent

HK1703003090 Beijing CHINA DAILY in English
17 Mar 90 p 1

[By our staff reporter Gu Chengwen]

[Text] Economic planners are predicting a 15 percent growth rate for China's 17.4 million rural industries this year. Last year's economic growth rate for the entire economy was just seven percent.

Chinese rural industry usually refers to enterprises run by townships, villages, group of farmers and individuals.

These rural enterprises have grown at an amazing pace enlarging the State's tax revenues while providing jobs in rural China. At the same time, these industries compete with State-owned enterprises for materials and markets.

This marks the first time that State planners have separated out rural enterprises in planning the nation's overall economic goals.

Officials from the State Planning Commission said that a 15 percent growth is appropriate for the country's economy.

Some agriculture officials, however, described the target as "over-optimistic."

The target—the first ever set by the commission since rural industry got underway a decade ago—is "not mandatory, but merely instructive," say commission officials.

By setting this goal for rural industries, the State is aiming at "not only helping them develop but also guiding them on a track in tune with the entire economy."

"We are talking about State planning," the planning officials said. "As a matter of fact, many local governments have long included rural industry in their overall economic layout."

As a result, many rural businesses have obtained materials at low State prices.

The officials went on to say the State will continue policies favourable to rural industry such as tax cuts.

Rural enterprises have become indispensable to big State industries, say officials, hiring rural labourers, supporting the revenue of local governments and improving the living standard of 800 million Chinese farmers.

For several years, rural industries have produced roughly a third of the country's industrial output. A great number of their products have a high rating from the State and sell well abroad.

The total number of rural workers has reached 90 million.

The officials said, "We ourselves are not sure we have fully understood the importance of rural industries."

They noted there are almost 200 million surplus labourers in the rural areas.

There is not enough land for them to farm in the countryside, and there are not enough jobs for them to work in the cities.

The State's austerity policies have made the phenomenon even worse. So, in spite of some problems rural industry will be encouraged to grow, the officials said.

Among those problems is pollution, a disadvantage generally linked with rural industries, the officials said. Because these enterprises had little or simply no State money, many rural firms used equipment big State industries had worn out and discarded.

But even with poor equipment, many rural businesses have a strong competitive edge due to low labour costs, flexible management and a sense of no way to retreat.

This year, officials said, more bank loans will be available to rural industry than last year.

Asked whether rural industry will be included in the mandatory State plan, the officials said not in the near future.

Industrial Centers To Tackle Debt Defaults

HK2703025490 Beijing CHINA DAILY in English
27 Mar 90 p 2

[By staff reporter Wang Xiangwei]

[Text] As the government calls for a quick turn-around of the currently low industrial growth, some major Chinese industrial centres have given top priority to the problem of debt defaults among their enterprises.

Four major northeastern cities this month, dealt with 6.24 billion yuan (\$1.33 billion) in debt defaults among 3,200 enterprises, CHINA DAILY has learned.

The four cities—Shenyang, Changchun, Harbin and Dalian—are China's major industrial hubs for oil, coal, automobiles and grain.

From March 19 to 21, top government officials from these cities met in Changchun, the capital of Jilin Province, to concentrate on helping enterprises retrieve payments owed to them and pay back their debts.

During the three days, they helped clear debt defaults totalling 4.26 billion yuan (\$906 million) with assistance from various banks.

An official from the People's Bank of China told CHINA DAILY yesterday that the bank, the country's central bank, fully supported the meeting.

He said that the bank decided to deal with the debt defaults on an area-by-area basis, adding that the bank will soon organize similar meetings in other parts of the country.

The PEOPLE'S DAILY reported yesterday that the move is aimed at invigorating the economy.

However, some economists said that the debt defaults, now amounting to 110 billion yuan (\$23.4 billion) are continuing their upward trend, haunting most Chinese industrial enterprises during the ongoing austerity programme.

Many enterprises have been forced to scale down or stop production because of the debt default problem, which is partly responsible for the nosedive industrial growth.

This is the second time that the four cities have met on the issue. They met earlier this month in Dalian, the biggest seaport in the northern part of the country, and at that time cleared debt defaults totalling 1.98 billion yuan (\$421 million).

During the meeting in Changchun, the government officials focused on major industrial producers including the Anshan Iron and Steel Complex, Daqing Oilfield, and the Changchun First Automobile Factory.

They adopted the policy of forcing debtors to pay back their debts, with the gap filled by loans provided by the banks after the four cities registered all of the enterprises that were in default on their debts.

For instance, the Changchun First Automobile Factory retrieved 70 million yuan in payments from buyers, which enabled it to pay back its debts to the Anshan Iron and Steel Complex for raw materials.

Article Discusses Obstacles to Growth of Markets

HK0103034790 Beijing GUANGMING RIBAO in Chinese
10 Feb 90 p 3

[Article by Qiao Gang (0829 0474) and Li Youpeng (2621 3945 7720): "Obstacles to the Growth of China's Markets"]

[Text] In recent years, the question of market circulation has constantly become a popular topic of discussion on account of the grim economic situation. Whether we are speaking of the tension of market supply and demand, the soaring commodity prices, disorder in the market, and the regular outbreak of trade wars, or speaking of sluggish sales, the slowing of the price-hike trend, and the strengthening of market management, the sphere of market circulation in China is faced with disturbing problems and contradictions. Some of these problems and contradictions have stemmed from the development of the economy as a whole and from the process of structural changes, while others have originated directly from the sphere of circulation. However, if we look at their main aspects, we can see that the problem lies in the formation and growth of the markets. Hence, an objective analysis of the obstacles confronting China's markets in their growth is no doubt a realistic point of departure in our efforts to overcome the dilemma and deepen the reform.

Resource Obstacles to the Growth of China's Markets

China is the most populous country in the world, but it is not rich in terms of natural resources per-capita. At the same time, the fact that the development of basic industries like agriculture is seriously lagging behind and that only a few industries are highly developed, has also given the Chinese economy the characteristics of having a severe shortage of resources in certain areas. As far as the market circulation resources are concerned, the development of transportation, warehouses, communications, ports, and other infrastructure facilities and basic implements is also seriously lagging behind. The market radius is small and the market coverage performance is poor. Through the interaction of structural and policy factors, these resource shortages will usually lead to a serious imbalance between market supply and demand and impair the economic environment for market growth.

The soft budgetary constraint under the traditional system has led to an universal thrust for investment and a swelling of consumption demand. As a result of this and the long-term practice of a mode and strategy which overemphasizes high growth rates, economic development as a whole is constantly in an overheated state. Characteristics of the seller's market, such as worsening economic structure and tension between supply and demand, are conspicuous. Since the commencement of reform, we have removed the over-rigidity under the traditional system, but have not fundamentally eliminated the above-mentioned drawbacks. In the face of major fluctuations in social and economic development, in order to cope with the market shortage and maintain a steady and balanced national economy, the government has no alternative but to resort to administrative means to mobilize the limited economic resources. Hence, the shortage of resources not only means that the number of commodities removed from direct control will be reduced; it also means that some of the commodities that have already entered the circulation channels cannot truly complete the market regulation process. This restricts the growth and maturing of the market structure in terms of the number of commodities in the total social products that can be subject to market regulation.

Thus, correctly understanding the reality of China's resource shortages, attaching importance to the curbing of structural expansion impulses in macroeconomic policies, and creating a relatively relaxed economic environment are important conditions for promoting the growth of China's markets. If these are not done, when the economy becomes overheated and the macroeconomy goes out of control, the implementation of some of the reform measures will have to be put off again and again due to the deterioration of the economic environment, and some of the measures that have already been introduced will have to be abandoned. The present state of the farm products circulation structure is a salient example.

Regional Obstacles to the Growth of China's Markets

For many years, there has been an obvious tendency of convergence in the economic structures of economic regions due to the adverse regulatory effects of taking economic growth rate as the major administrative performance indicator and the distorted price structure. At the same time, poor communications and information exchange between regions also hampered the development and deepening of regional cooperation. To a certain extent this imposed restrictions on the formation of a unified market and on the overall effect of the allocation of market resources. In the process of streamlining administration and instituting decentralization, a pattern of multiplicity of interests has gradually taken shape, and the ability of the local governments to interfere in and regulate economic activities has also greatly increased as local interests strengthen. Spurred on by local interests, counter-market tendencies of regional blockade and separation emerged. Examples of these are

measures prohibiting the "outflow" of resources in short supply in the locality, preventing the "entry" of competitive products into the locality and imposing restrictions on the marketing of above-quota products by enterprises consuming capital goods in short supply. Although the central authorities have repeatedly adopted measures to restrict and eradicate these counter-market tendencies, these phenomena cannot be banned.

It is quite evident that there are two constraining factors that cannot be overcome within a short time. First, since the beginning of the reform program, the notion of "decentralizing power and giving up profits to enterprises" has time and again been stressed and highlighted as the guiding principle and policy of reform aimed at invigorating the economy. In a situation where such a tendency has remained unchanged for a prolonged period, we tend to rely on the simple method of "contracting" to stimulate and arouse the enthusiasm of the localities and enterprises. We must admit that the practice of the contract system on revenue and expenditure and other forms of contracting has its positive significance. However, from the perspective of the reform of the circulation system and the formation of a unified market, the contract system cannot promote competition between regions on an equal footing. Second, for the markets to grow under conditions of socialism, it is necessary to pay attention to the organizational role of the government. However, when the local governments have secured considerable benefits and are trying to keep and increase these benefits, their ability to regulate the economy and organize the markets will invariably be subordinated to the afore-mentioned goal. Hence, we constantly find ourselves in a dilemma: On the one hand, at the take-off stage of reform, it seems that market regulation and development are inseparable from the local government's role and that there are factors beneficial to market growth in some of the local government's activities of intervention. On the other hand, intervention by the local government betrays an obvious counter-market tendency. For instance, interregional cooperation and compensation trade on goods and materials are sometimes acts of market transaction between enterprises, but more often than not they are conducted between local governments or between local material departments with government background. This kind of "cooperative" flow of commodities is not only subject to general marketing principles but is also subject to special principles of regional interests. Understanding this will probably enable us to have a more accurate grasp of the formation and growth of China's markets.

Functional Obstacles to the Growth of China's Markets

State-owned circulation enterprises constitute the main force of market circulation in China. They enjoy an obvious advantage in all respects, whether in terms of the number and quality of staff and workers or in terms of material means and business outlets, and can play their proper role in the sphere of market circulation. However, practice has demonstrated that state-owned circulation enterprises have not been doing too well in

competition. As an example, in markets which have been opened up during the reform, regardless of whether they deal in industrial consumer goods or fruits, vegetables, poultry and eggs, we can see a sharp downturn in the market share of state-owned commerce. By 1987, the proportion of commerce under ownership by the whole people in the total volume of retail sales had dropped to 38.7%. In the circulation of capital goods, due to its own characteristics and the characteristics of the reform, state-owned material enterprises have over the years been faced mainly with the challenge of having to conduct double-track trading within and outside the state plan. Although only a small dosage of competitive factors has been added to the existing goods and materials trade, a considerable number of state-owned material enterprises are already finding it difficult to adjust. The emergence of this state of affairs is directly related to the role played by enterprises in the market. It is also an important reason for the present chaos in the realm of market circulation.

Analysis shows that the problem mainly stems from the fact that state-owned circulation enterprises have the dual function of market operators and market regulators. As market operators, state-owned circulation enterprises should have clearly-defined profit-making targets. However, in the process of switching to a new structure, the government often has to require circulation enterprises to take on the function of market regulators in order to regulate supply and demand and to stabilize prices. When these two functions are placed on enterprises, they will create an internal contradiction, one which will lead to non-standard behavior on the part of the circulation enterprises. In particular, when responsibility systems for operation such as leasing and contracting are universally popularized, state-owned circulation enterprises are required to fulfill the contracting targets as far as possible on the one hand and to take on the regulator's function of stabilizing the market on the other. Seen from the actual situation, whether or to what extent this is done is often determined by the personal quality and political awareness of the enterprise leaders. There are no institutional assurances. Seen from business behavior in market circulation, profit-oriented behavior on the part of some state-owned circulation enterprises is no different from that of enterprises in other economic sectors.

On the other hand, after state-owned circulation enterprises assumed the regulatory role in stabilizing the market, the government also had to subsidize these enterprises for policy-related losses incurred in the course of regulating the market. However, due to the lack of distinction between different functions, it is difficult to tell whether the losses incurred by circulation enterprises are business-related or policy-related losses. This is also responsible for many of the drawbacks in the allocation of financial subsidies.

Organizational Obstacles to the Growth of China's Markets

In the initial stage of the reform, state-owned circulation enterprises, where government and enterprise functions were integrated—a legacy of the traditional structure—were virtually our only market organization resources. As far as the needs are concerned for market growth in a big country such as ours, this is simply not the right scenario. At the same time, we must also note that these market organizations which grew in the crevices of the traditional product economy with administrative constraints are but backward market organizations. We must be able to see that they cannot meet the needs of the already developed modern industry and will have difficulty independently assuming the role of the market carrier in the operation of the modern industrial economy. This puts us in a dilemma: On the one hand, we are trying to introduce and make use of the market mechanism in economic operations; on the other hand, the existing market circulation organizations have difficulties carrying out this mission. The government is thus compelled to resort heavily to traditional administrative means. This has held back or blocked the transformation of some circulation enterprises into true market entities, and disrupted the structural rationalization of market organizations in the course of competition.

Following the gradual relaxation of policies in the course of reform and the rapid development of the collective and individual economies, organization forms constituted mainly by country markets, transport of goods over long distances for sale, business stalls and itinerant peddling have taken over the place of secondary markets. However, many of the small businesses and market circulation organizations that mushroomed do not have the necessary ability and qualifications. Too many intermediate links lead to high cost and low efficiency and results in the wastage of the means circulation in society as a whole. The organizational form of the market is monotonous and there is too much repetition at a low level. The business mode of these market organizations is backward and lacks the support of tools. Their ability to maintain stable operations is very poor. In contrast to these, high-level markets that suit the needs of the modern industrialized economy are slow in maturing. In addition, due to the constraints of the old structure, the self-organization and innovative capability of the markets is also extremely weak. The fact that the tools and mode of transaction are unitary makes it impossible to form well-linked and coordinated market organizations of various types. This in turn makes it difficult for the market mechanism to function normally.

Mechanism Obstacles to the Growth of China's Markets

Since the beginning of the reform, we have been trying to promote the growth of the market structure as a whole mainly through the gradual lifting of restrictions on prices and letting the price mechanism play its self-regulatory role. Of course, in the process of the growth of

the socialist market structure, it is important that the administrative coordination mechanism be retained to a given degree and on a given scope. The market mechanism is also not merely a price mechanism. However, we must also admit that the price mechanism is the most basic form and the essential component of the market coordination mechanism.

Before 1984, our price reform was mainly confined to the use of traditional administrative means to readjust the price structure. There was no substantial change in the price mechanism. After 1984, following the gradually lifting of restrictions on many commodities, the pricing of some commodities began to be determined by the market. The price mechanism started to change. However, in the course of lifting restrictions on prices, the pent-up pressure of price hikes was unavoidably released. This, coupled with years of overheated economic growth and the excessive growth of total demand, sent the general price level spiraling up. In addition, in a situation where a big gap existed between total supply and total demand, the practice of the double-track price system for capital goods created a wide disparity between prices covered in the state plan and prices outside the state plan. This provided the conditions for people to make use of the price differences and seek exorbitant profits through profiteering and hoarding. Price discrimination against commodities in short supply not only restricted fair competition between enterprises but provided an opportunity for crimes of abusing one's power to feather one's nest. On account of these factors, there irrational factors abound in the rise of the general price level. In order to achieve balanced economic growth and the basic stability of prices, the government, while repeatedly taking measures to lift price restrictions in an effort to create room for market growth, was compelled to resort to administrative means by reimposing restrictions on some of the commodities. Following the adoption of the measure aimed at breaking down the price control indexes and assigning them to the localities, in particular, the local governments now have more power to intervene in economic activities. On the one hand, this has offset the centralized administrative coordination function of the central government. On the other hand, this means that the market coordination function of the price mechanism can only be operative in areas permitted by local interests. This situation has not only resulted in the market coordination mechanism and the administrative coordination mechanism being unable to function properly, but has often compounded the shortcomings of both to produce unexpected problems. What we must do now is to adopt resolute measures of readjustment and rectification and make use of clear-cut economic legislation to define the operative conditions of various coordination mechanisms. At the same time, we must step up the formulation of necessary market regulations to ensure the normal functioning of the market coordination mechanism and promote the healthy growth of China's market structure.

Five Provincial Governors View Financial Policy

HK2803015390 Beijing ZHONGGUO XINWEN SHE
in Chinese 1300 GMT 27 Mar 90

["Five Provincial Governors Discuss Appropriately Relaxing Control Over Money Supply"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 27 Mar (ZHONGGUO XINWEN SHE)—Premier Li Peng recently announced the State Council's latest decision: With the financial and credit retrenchment policy being maintained, money supply can be relaxed appropriately. This made the provincial governors who were deeply worried about the economic conditions feel a bit relaxed.

ZHONGGUO XINWEN SHE have interviewed five provincial governors in the past few days, and they unanimously agreed that this would be a major move in China's economic life and hoped that the new policy would restore the growth of industrial production which had kept declining since last August and September.

In 1988, China's economy was shrouded in a sweltering atmosphere. In Fujian Province, industrial production grew by 31 percent. In Jiangsu Province where the total industrial and agricultural output value ranked first in the whole country for eight consecutive years, the growth rate of industrial production was also as high as 22 percent. China's industry was going like a speeding train which was out of control. Its rapid growth went far beyond its own bearing capacity.

Therefore, Fujian Provincial Governor Wang Zhaoguo and Jiangsu Provincial Governor Chen Huanyou both first affirmed the necessity of the financial and credit retrenchment measures adopted by the state at that time. They said that only by bringing into control the tendency of high consumption and high distribution could we stabilize the economic conditions, the prices, and people's feelings.

However, China's industrial economy, which remained rather weak and vulnerable, also lacked adequate strength to endure the situation in which the brakes were slammed on abruptly. Chen Huanyou said: It was hard to avoid the overanxious tendency to control the money supply too tightly and to reduce the circulating funds too seriously. This has caused serious difficulties to the economic life.

Shanxi is one of the few provinces in which industrial production continued to grow in the first months of this year. However, before money supply was "appropriately relaxed," the province was still short of some 700 million yuan of industrial and commercial loans. Earlier this year, finished products with a total value of 3.6 billion yuan were stockpiled in the warehouses, and the manufacturers could only be plagued by the high interest cost. Shanxi was also involved in the huge triangle debt trains in the whole country. It is said that Shanxi now owes a

total debt of 1.8 billion yuan to other provinces, while other provinces also owe 2.8 billion yuan to Shanxi.

In addition, it is now hard to put enterprise production in motion, and this will inevitably give rise to personnel redundancy in the enterprises. It does not matter if this lasts only one or two months, but if this situation remains unchanged for a longer time, another unstable factor will be added to society.

The provincial governors from the north welcomed the State Council's new step to appropriately relax money supply under the premise of "double retrenchment" with a different posture.

Liaoning Provincial Governor Li Changchun said: The new measure is a piece of great good news for Liaoning Province, which has 856 large and medium-sized enterprises. The increase in circulating funds will instill vigor to the enterprises; then these backbone enterprises will in turn provide a huge impetus for the development of the entire national economy.

Gansu Province, one of China's energy production bases, also welcomed with heartfelt delight the new measures to appropriately relax money supply and to adopt a more favorable policy for the basic industries. Provincial Governor Jia Zhijie said: Only with the development of the basic industries can the national economy be developed continuously and stably.

Jiangsu Provincial Governor Chen Huanyou summed up the advantages of the new measure and said: While carrying on the "double retrenchment" policy, we are also solving the new problems appearing in the course of adjustment and rectification. This will prevent the adverse effects of the same policies being arbitrarily and indiscriminately imposed on all localities. The new measure will help better arrange employment and help eliminate the unstable factors in society. At the same time, lowering the interest rates and adopting variable interest rates on a case-by-case basis will also bring the role of the economic levers into better play.

Fujian Provincial Governor Wang Zhaogao summarized the general principle for "appropriately relaxing money supply" into the following point: Increasing the loan quotas for the circulation realm and meeting the needs for circulating funds. He said: When the commercial institutions increase their purchasing power, the manufacturing enterprises will also have money to buy raw materials after their products are purchased. Then, the market will function more smoothly in facilitating the circulation of goods and funds, and will change its current slack condition.

China's economy policy was tightened and relaxed from time to time, and the economic life also changed correspondingly with stagnation caused by rigid control alternating with chaos caused by relaxed control. Shanxi Provincial Governor Wang Senhao said: At any time, the

tightening degree of control must be appropriate so that stable, harmonious, and sustained economic development can be maintained.

Then, will the current step taken by the state for "appropriate relaxation" lead to a greater degree of relaxation in localities? Will the overheated economic condition occur again in China? Wang Zhaoguo, Chen Huanyou, and Wang Senhao all said no. Because this time, the situation differs from previous ones. Although money supply will be relaxed appropriately, "retrenchment" will still be the main theme in China's economic life.

Energy Ministry Improves Rural Power Supplies

OW2703215590 Beijing XINHUA in English
1537 GMT 27 Mar 90

[Text] Tianjin, March 27 (XINHUA)—The total power consumption in China's rural areas reached 192 billion kilowatt-hours last year, three times 1978 figure.

A spokesman for the Energy Resources Ministry said this at a national working conference on electrification in China's rural areas which ended here today.

The spokesman said that, over the past ten years, power consumption in rural areas increased at an annual rate of 14 percent. And in 1989, 115.3 billion kilowatt-hours of the total consumption was used in rural and township enterprises.

China is an agricultural country. 850 million of its total population (1.1 billion) are living in the countryside.

The work force engaged in rural power supply totals 1.5 million. Electric power networks have reached 95 percent of China's counties and villages.

China has a total of 6.27 million kilometers of high-tension or low-tension lines in rural areas. The transformation substations reached 12,194 and the installed capacity of rural power stations totalled 20.12 million kilowatts.

Since 1978, the state has invested two billion yuan (about 400 million U.S. dollars) on the improvement of electric facilities.

At present, about 300 million mu (about 20 million hectares) of farmland is irrigated with electric power. In 1989, power consumption in spring irrigation and summer irrigation and drainage reached 18.9 billion kilowatt-hours.

The spokesman said that China has decided to give preferential treatment to the rural areas in power supply.

Minister Views Three Gorges Project Status Quo

HK2603040590 Hong Kong TA KUNG PAO in Chinese
14 Mar 90 p 2

["Special dispatch": "Huang Yicheng Says the Three Gorges Project Manifests the Democratization of Decisionmaking"]

[Text] Beijing 13 Mar (TA KUNG PAO)—When interviewed by a reporter from GONG SHANG SHIBAO [INDUSTRIAL AND COMMERCIAL TIMES], Minister of Energy Huang Yicheng said that financial difficulties are not the major factor that has held back the Three Gorges Project from starting. What is important is the attitude toward the construction of China's energy industry and making the decisionmaking more scientific and democratic.

Minister Huang said that the Three Gorges Project on the Chang Jiang not only has a decisive influence in harnessing and developing the Chang Jiang Valley, but also has strategic significance for the overall national economy and social life.

He said that since 1986, the CPC Central Committee and the State Council, on the basis of summing up the feasibility study over the years and taking into account opinions from various fields, have instructed water conservancy and electricity departments to organize specialists from various quarters to restudy the feasibility. Water conservancy and electricity departments organized several hundred specialists from scores of professions all over the country to make a scientific demonstration of this project in 14 special subjects. The study concluded that the Three Gorges Project is financially rational and technically feasible and that it is within the capacity of the national strength. They also held that early construction is better than late.

The minister said, quite regretfully, that because of some artificially imposed factors, however, this project has become a social and political problem. Some people object to starting the Three Gorges Project on the grounds of financial difficulties, so that the feasibility study on this project has to be shelved.

Tourist Slump Causes Hotel Personnel Wage Cuts

HK2703024990 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English 27
Mar 90 p 4

[By Geoff Crothall]

[Text] The mainland government has linked the salaries of hotel managers in Beijing to profits, leading to drastic salary reductions during the slack winter season.

The general manager of the prestigious Jianguo Hotel, a joint venture now managed by the Beijing Tourist Administration, has had his monthly salary slashed from 388 yuan to 122 yuan, little more than an industrial worker.

Managers of the near-deserted International and Capital hotels have also been hit hard by the move a number of other state-run hotels have embarked on severe cost cutting programmes to boost profits, industry sources said yesterday.

Staff salaries have been reduced and several employees laid off. The Jianguo Hotel, for example, recently laid off seven expatriate staff members.

"State-run hotels in Beijing are using every trick in the book to improve their profit and loss accounts; in some cases they are simply refusing to pay for goods and services in order to retain their foreign exchange," one source said.

However, as tourists slowly return to Beijing profits have gradually picked up and the Jianguo's manager, Mr Chen, said he expected his salary to be more than 400 yuan this month.

"The salary-profit link has not affected the hotel or myself very badly," Mr Chen said.

Nevertheless, Beijing's state-run hotels still have a long way to go before occupancy and profits return to anything like pre-June levels.

Even if occupancy rates improve this summer, state-run hotels are committed to giving guests a 10 per cent discount on last year's prices, which when coupled with last December's devaluation will lead to a substantial decline in foreign currency earnings, analysts say.

The only time Beijing's hotels are likely to be full this year is during the Asian Games, opening in September, but even then hotels will not be able to reap the full benefit of the tourist influx.

The municipal government has demanded "donations" to the games from several major hotels a quid pro quo for bringing in the tourists.

Provinces Organizing Silk Road Tour

OW2103174890 Beijing XINHUA in English
1508 GMT 21 Mar 90

[Text] Lanzhou, March 21 (XINHUA)—Northwest China's Shaanxi, Gansu and Qinghai Provinces and Ningxia and Xinjiang Autonomous Regions are organizing a "silk road" tour to last from May to the end of October this year.

During the six-month period, activities will be held in hundreds of resorts in provinces and regions along the "road."

One of the most unusual activities will be a motor trip along the Great Wall sponsored by the State Physical Culture and Sports Commission together with the provinces and regions concerned.

The 7,000-kilometer silk road is studded with historic sites. The original silk road began in Changan, the capital

of the western Han Dynasty, and extended through Gansu Province, Xinjiang Autonomous Region, the U.S.S.R., Iran and Iraq to Mediterranean seaports in Syria and Lebanon.

Commentator Commends Outstanding Entrepreneurs

HK2203110890 Beijing RENMIN RIBAO in Chinese
10 Mar 90 p 2

[Commentator's article: "We Need More Outstanding Entrepreneurs"]

[Text] Twenty directors and managers have obtained the glorious title of national outstanding entrepreneur today. This is the third group of outstanding entrepreneurs selected from the whole country through appraisal following the similar occasions in 1987 and 1988. The glorious title won by these entrepreneurs is an honor to themselves as well as to the ranks of entrepreneurs as a whole.

As the role of enterprise operator has become increasingly important in a modern commodity economy, entrepreneurs whose profession is to run an enterprise and seek continuous development emerged as the times require. Thanks to the deepening of China's reform and opening up and to the gradual development of a socialist commodity economy, a change in enterprises has been effected from a subsidiary to an administrative organ to an entity carrying out independent commodity production and assuming sole responsibility for its profits and losses. A change has also been effected in enterprise directors and managers from being administrative cadres to entrepreneurs. The emergence of the ranks of entrepreneurs in China constitutes one of the major achievements of reform and opening up.

Factory directors and managers, particularly leaders of the large and medium size state-owned enterprises, assume great responsibility for the consequences of enterprise operation as they stand in the fore-front of enterprise reform and development, and shoulder heavy tasks. Over the years, they have vigorously carried out reform, forged ahead, make painstaking efforts in operation, and contributed to state prosperity, enterprise development, and workers' interests. The people will never forget their meritorious service. Although the qualities of a small number of factory directors and managers are poor and some of them have even committed a crime, we cannot for this reason negate the role of the ranks of entrepreneurs as a whole or the role of entrepreneurs in economic development.

Although many enterprises are faced with a number of difficulties, the majority of factory directors and managers have united the broad ranks of workers, inspired their revolutionary enthusiasm, and worked hard for fulfilling the task of improvement, rectification, and deepened reform. Undoubtedly, the current activity to select outstanding entrepreneurs through appraisal has affirmed their hard work and also encouraged the broad ranks of workers.

Operators of socialist enterprises are the entrepreneurs of the working class. Paying attention to entrepreneurs and giving full play to their role are tantamount to relying on the working class. This conforms to the interests of the working class and the people as a whole. Hence, the vast numbers of staff members and workers will inevitably support and stand in favor of commending these outstanding entrepreneurs. We believe that the broad ranks of factory directors and managers will constantly improve their qualities, rely on the workers, cherish them, and be concerned with their well-being, strengthen democratic management, consciously accept supervision of the workers, run the enterprises well, and make more contributions to the state. We believe that an increasing number of outstanding entrepreneurs will emerge in our country.

List of Outstanding Entrepreneurs Published

HK2203110490 Beijing RENMIN RIBAO in Chinese
10 Mar 90 p 2

[Report by Jiang Shaogao (3068 4801 7559): "Winners of the Third National Outstanding Entrepreneur Awards Announced"]

[Text] Beijing, 9 Mar (RENMIN RIBAO)—The result of the Third National Outstanding Entrepreneur Award Contest has been published today and 20 factory directors (managers) have won this highest honorary title. They are: (Listed according to the number of strokes of their surnames)

Ma Dong, director of Liaoning Power Plant

Wang Zhiwu, director of Daqing Petroleum Management Bureau

Wang Xigui, manager of Beijing Changcheng Raincoat Company

Wang Ruizhang, director of Harbin Railway Bureau, Mudan Branch

Qiu Jichao, director of Xiamen Canning Factory

Liu Jintang, director of Dalian Kinescope Plant

Liu Tiejun, director of Lanzhou Aluminum Plant

Chi Jianru, director of Harbin Boiler Plant

Qu Youyi, director of Huhhot Machine Tool Accessories Plant

Zhong Weixian, director of State-Run 523 Factory

Wang Zhijun, director of Changzhou Diesel Plant

Wu Minzhan, director of Guizhou Fenghua Machine Plant

Wu Shenduo, manager of Nanfang Power Machine Company

Zhu Youwen, director of Loyang Glass Factory

Zhao Zhongyu, manager of Panzhihua Iron and Steel Company

He Duanshi, director of Shandong Xinhua Pharmaceutical Factory

Hou Shuting, director of Shanghai No 5 Iron and Steel Plant

Gao Chunhua (female), director of Zhejiang Yuhangling-ping Silk Factory

Chu Shijian, director of Yunnan Yixi Tobacco Factory

Cai Chaoqun, director of Tianjin Soda Plant

Recommended by the provinces, autonomous regions, and municipalities; the China Enterprise Management Association; and the China Entrepreneur Association, these 20 national outstanding entrepreneurs are selected by the Appraisal Committee of the China Enterprise Management Association and China Entrepreneur Association from among 41 candidates.

Improved Varieties of Crops Grown in Large Area

OW1603143590 Beijing XINHUA Domestic Service
in Chinese 0226 GMT 28 Feb 90

[By reporters Zhao Peng (6392 7720) and Jin Jiasheng (6855 0857 5116)]

[Text] Beijing, 28 Feb (XINHUA)—The acreage of hybrid rice, hybrid corn, and major improved varieties of wheat, which occupies a decisive position in China's grain production, will be further expanded this year. The acreage of these crops is expected to exceed 720 million mu this year, or 43 percent of the country's total acreage of grain crops. This is an important measure taken by the Ministry of Agriculture to ensure a continuous increase of grain production this year.

According to what this reporter recently learned from pertinent departments with the Ministry of Agriculture, the acreage of hybrid rice in the country will be 292 million mu, 228 million mu more than the last year. Hybrid corn is planned to be grown in 272 million mu of land, an increase of more than 10 million mu over last year. The acreage of the Shannong [7104 6593] 7859, the Lumai [7627 7796] No 7, the Zhengzhou [6774 1558] 891, and other major improved varieties of wheat reached 210 million mu last fall, an increase of more than 10 million mu over the previous year.

A strong mother breeds strong children, and a fine seed breeds a strong seedling: one improved seed yields a thousand good grains. Selecting improved varieties of crops and growing them in a large acreage are one of the key measures to use agrotechnological research results to rapidly raise agricultural productive forces. According to an expert estimate, the increased amount of grain resulting from improved varieties of crops in the past few years accounted for more than 20 percent of the total increase of grain. The hybrid rice variety developed by

Yuan Longping, the father of hybrid rice in China, yields over 50 kilograms of rice per mu more than ordinary varieties. From 1976 to 1988, the country grew hybrid rice on more than 1.2 billion mu of land in total. The per mu yield of the hybrid rice rose from 300 to 350 kilograms to more than 400 kilograms in this period, increasing rice production by a total of 60 billion kilograms, which is sufficient for one year's consumption by approximately 150 million people. Last year, the acreage of hybrid rice in the country reached 201 million mu, exceeding 200 million mu for the first time, with an average per mu yield of 440 kilograms. Total acreage of hybrid corn in the country exceeded 230 million mu in each of 1988 and 1989. Compared with ordinary varieties, the per mu yield of this hybrid corn is 50 to 100 kilograms higher. Since growing the Shannong 7859, the Lumai No. 7, the Zhengzhou 891, and other major improved varieties of wheat began a few years ago, the average per mu increase has been more than 25 kilograms.

Following the growing in large acreage of hybrid rice, hybrid corn, and major improved varieties of wheat, the vast numbers of peasants have been more conscious of using improved varieties of crops. The traditional thinking among peasants of sowing whatever seeds that are available has become history.

To meet the needs arising from growing improved varieties of crops, China has established bases for the experimental growing of improved varieties of rice, corn, and wheat. In the last few years, the amount of improved seeds of hybrid rice, hybrid corn, and various varieties of wheat annually supplied to the vast numbers of peasants by the more than 2,200 seed companies across the country accounted for about 70 percent of seeds of other varieties.

Rice, corn, and wheat are the major varieties of grain crops in China. In 1989, the total acreage and output of these three crops respectively accounted for about 70 and 80 percent of the total acreage and output of grain of the whole country. Accelerating the pace of expanding the acreage of improved varieties of rice, corn, and wheat is closely related to ensuring a continuous increase of grain production in China.

Government Holds Forum on Reinvigorating Forestry

*HK2603093790 Beijing GUANGMING RIBAO in Chinese
26 Feb 90 p 1*

[Article by staff reporters Zhai Huisheng (5049 1920 3932) and Wu Yali (0702 7161 7787): "The Ministry of Forestry, the State Commission for Science and Technology, and the GUANGMING RIBAO Editorial Department Jointly Hold Forum on Reinvigorating Forestry"]

[Text] Since the Ministry of Forestry's introduction of the "excellent idea" of the technological reinvigoration of forestry in the late 1980's, the speedy implementation of this historical task, which affects the national

economy and the people's livelihood, and even our future generations, has become the focus of people's attention. On 22 February, the Ministry of Forestry, the State Commission for Science and Technology, and the editorial department of this newspaper jointly held a forum on the reinvigoration of forestry. More than 10 specialists and model workers in this field were invited to attend the forum. The participants talked to their hearts' content about the technological reinvigoration of forestry and eagerly put forward their brilliant ideas and suggestions to this effect.

The participants in the forum were of the opinion that spectacular successes in forestry, whose origins could be traced back to the shambles of Old China, were achieved in the last 40 years. The vivid "great walls of jade," i.e. "the three forest belts in northern China," which stretch from the east to the west of the country, and the "10,000 miles of forest belts along the coastal boundaries," which run all the way from northern to southern China, are major forestry landmarks which have won international acclaim. It is gradually becoming a common practice in China for people to participate in voluntary tree-planting and the afforestation of their homeland. However, we must keep a cool head and realize that the area of grown forests is not even one-sixth of the total forestry area in the last few decades. Every year, over 100 million mu of forests are infected by tree diseases and infested with insect pests, resulting in economic losses of more than \$1 billion. Prevention and treatment are successful in only 30 percent of cases. Furthermore, we are rather backward in the nursing, management, and protection of forests, and also in timber processing and combined utilization. At the same time, the rate of transforming technological achievements in forestry into productivity is only some 30 percent. Therefore, our forestry situation points to the fact that technology is the only means to achieve the objectives of developing forestry productivity and obtaining the best results with minimum effort. This is a basic, directional, and strategic task and not an expedient measure.

Discussing their comprehension of the technological reinvigoration of forestry, the specialists pointed out that success in "reinvigoration" was primarily determined by whether or not the tremendous potential in forestry technology could be tapped, and whether or not forestry technological staff could assume a more active role. "Authority plus technology plus involvement" guarantees "reinvigoration." "Authority" means that the various leaders and decisionmakers at all levels should recognize the urgency of developing forestry by technological advances, and should actually consider technology as a form of primary productivity. They should put the technological reinvigoration of forestry as a priority item on their agendas and include, as a topmost criterion in their assessment of the achievements of leading forestry cadres, the extent to which the cadres succeed in employing technology in the reinvigoration of forestry. "Technology" means highlighting the promotion and application of existing achievements, so that

appraised, advanced, and applicable achievements can be turned into beneficial results of scale. "Involvement" means that a preferential policy should be adopted and tailored to the forestry situation in individual localities. The authorities concerned should be inclined toward developing forestry technology by providing funds to support technological promotion, and by insisting that capital should be allocated in accordance with projects, tasks, and beneficial results, so as to obtain the best possible results in the utilization of capital.

The specialists felt that the technological reinvigoration of forestry should focus on combined regional development. From north to south, our country spans five climate zones, and the socioeconomic situation varies drastically from place to place. Hence, overall planning should be carried out by delineating the various regions into units and focusing on the coverage rate, growth rate, and the quality and quantity of the forestry, in order to determine the best technological policy and lines.

The specialists also called upon the 150,000 forestry technological staff in the country to rise with force and spirit, to strive in spite of difficulties, to try their best to fulfill their duties, to be good leaders in the utilization of technology, and to write a glorious page in terms of the technological reinvigoration of forestry in China's history of forestry.

Specialists and frontline model workers who attended the forum included Dong Zhiyong, Wu Bo, Zhu Guangyao, Sun Qingmin, Hong Jusheng, Shen Guofang, Lu Shenyu, Gao Shangwu, Wang Lixian, Zhang Zonghe, Wang Peiyuan, Wang Heyu, Guo Chengzhi, and Zhang Shoude. Excerpts of their addresses will be carried in succession on page 2 of this newspaper.

The forum, which was chaired by Cai Yansong, vice minister of the Ministry of Forestry, was attended and addressed by Minister of Forestry Gao Dezhan, State Science and Technology Committee Deputy Director Guo Shuyan, and our editor-in-chief Zhang Changhai.

Improved Results Achieved in Afforestation

*HK2303120890 Beijing RENMIN RIBAO in Chinese
11 Mar 90 p 2*

[Report by Lin Xuan (2651 5503): "Inspection Conducted by Forestry Ministry Reveals Better Results in Afforestation"]

[Text] The situation of "seeing no forests despite planting trees for many years" has improved markedly after years of efforts made by various quarters. The quality of afforestation has been improving year after year. Recently, the Ministry of Forestry carried out a survey on the 1988 situation of afforestation and reforestation in 27 provinces (regions and municipalities), and the survey indicated that

the acceptability rate of our country's afforestation hit 63 percent, an increase of 55.2 percent over 1987, representing a rise of almost eight percentage points. Compared with the early 1980's, it was an 100 percent increase. The quality of afforestation in Hunan, Liaoning, Heilongjiang, Guangdong, and Beijing is well above the average standard in the whole country, with an acceptability rate of as high as 83 percent.

In recent years, some localities viewed upgrading the quality of afforestation as an important content of building forestry. When doing work in afforestation, they practiced design and planning, planted the right trees in the right place, and selected good seeds and strong seedlings, greatly reducing blindness in action. In the past, a majority of localities in our country did not practice planning in afforestation work, planting whether seedlings were available to them. But over the past two or three years, state-run units have paid attention to planning in afforestation work, and even the ordinary activities of tree planting by the masses in many localities have also followed the practice of planning and design. Due to the emphasis of planting the right trees in the right place, of selecting good seeds and strong seedlings, of afforestation in line with standard, and of choosing the correct method for planting, the number of province (city) with the acceptability rate of 80 percent or above, increased from one in 1987 to six in 1988; at the same time, the continued expansion of the areas under afforestation for engineering purpose, and of the areas under rapid-growing and high-yielding trees, has greatly increased the survival rate of planted trees. In Fujian, the survival rate of planted trees for small engineering purposes has always surpassed 95 percent. In northwest China, where natural and economic conditions are less favorable, the afforestation project to hold the sand in Ningxia's Shabotou, the greening project on the two hills south and north of Lanzhou in Gansu, and the "Sanbei" [0005 0554] shelter-forest project etc., have achieved marked results.

The practice of a strict system of inspection and examination for acceptance has improved the acceptability rate of afforestation. In 1989, Ningxia Autonomous Region refrained from reporting the areas with survival rate of lower than 85 percent, but did the planting again, greatly improving the quality of afforestation.

However, at present, development in the whole country is unbalanced. In some localities, the situation of low survival rate and low quality has not improved; their general standard is lower than the country's average, and they also lag behind in management and care of the young plants.

The Ministry of Forestry called on various localities to further attach importance to the quality of afforestation when carrying out the work of planting trees, so as to further improve the survival rate of the planted trees this year.

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